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USSR Report

INTERNATIONAL AFFAIRS

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INTERNATIONAL AFFAIRS

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WORLDWIDE TOPICS

FOREIGN AFFAIRS JOURNALISTS: JUNE-AUGUST 1986 ASSIGNMENTS

June 1986 Assignment

Moscow ZHURNALIST in Russian No 6, Jun 86 p 56

[Unattributed item under the rubric "Official Department": "Appointments"]

[Excerpt] VITALIY NIKITICH IGNATENKO has been confirmed as the editor-in-chief of the journal NOVOYE VREMYA.

He was born in 1941. He graduated from Moscow State University. He has worked for the press since 1964. He has been a literary associate, deputy department head, department head, and deputy editor-in-chief of the newspaper KOMSOMOLSKAYA PRAVDA. From 1975 to 1978 he was TASS deputy general director. Since 1978 he has worked in the apparatus of the CPSU Central Committee.

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July 1986 Assignment

Moscow ZHURNALIST in Russian No 7, Jul 86 p 54

[Unattributed item under the rubric "Official Department": "Appointments"]

[Excerpt] YURIY GEORGIYEVICH PUSHKIN has been confirmed as the responsible secretary and a member of the board of the Novosti Press Agency (APN).

He was born in 1932. He has a higher education and is a candidate of economic sciences. He has worked at APN since 1975. He has been an editor, commentator of the Chief Editorial Board for Socialist Countries, deputy head and head of the APN bureau in the GDR. He worked as deputy responsible secretary of APN from 1983 to 1985. Since 1985 he has been deputy chief of the APN cadres administration.

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August 1986 Assignments

Moscow ZHURNALIST in Russian No 8, Aug 86 p 62

[Unattributed item under the rubric "Official Department": "Appointments"]

[Excerpt] ALEKSANDR BORISOVICH PUMPYANSKIY has been confirmed as deputy editor-in-chief of the journal NOVOYE VREMYA.

He was born in 1940 and graduated from the Moscow State Institute of International Relations. He has worked in the press since 1962. He has been a literary associate, deputy department editor, responsible secretary, correspondent in the U.S. and an observer. Since 1978 he has been deputy editor-in-chief and then first deputy editor-in-chief of the newspaper MOSKOVSKIYE NOVOSTI.

VALERIY KONSTANTINOVICH SHVETSOV has been confirmed as editor of the Chief Editorial Board of Radiobroadcasting to Countries of Western Europe of USSR Gosteleradio.

He was born in 1941. He graduated from Moscow State University. He has worked in USSR Gosteleradio since 1968. He has been an editor, deputy chief and chief of the Department of Radiobroadcasting to Italy, and deputy editor-in-chief of the Chief Editorial Board of Radiobroadcasting to Countries of Western Europe.

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CSO:1807/10

WORLDWIDE TOPICS

ECOLOGISTS FORM INTERNATIONAL MOVEMENT 'ECOLOGY AND PEACE'

Moscow IZVESTIYA in Russian 30 Aug 86 p 1

[Article by V. Zakharko, special IZVESTIYA correspondent, under the rubric "News from Abroad: Bulgaria": "One Earth for All"]

[Text] "Ecology and Peace," an international movement of scientist-ecologists, has been founded.

Sofia--A broad international movement for peace has been initiated by scientist-ecologists based on the physicians' example. It was founded by participants in the International Conference on Environmental Protection and Defense of Universal Peace, which was just held in Varna.

Naming this movement "Ecology and Peace," 88 prominent scientists from more than 30 countries in Europe, America, Asia, and Africa appealed to all peoples and governments. "We recognize," states the document, "that the fate of mankind and all life on Earth is above all dependent on averting a nuclear war, which would lead to the inevitable and complete destruction of all life and on stopping nuclear testing and the arms race, which not only have a direct adverse effect on nature, but also exclude the solving of problems of safeguarding the environment and social problems and which, moreover, threaten inevitable nuclear catastrophe. Therefore, we call upon peoples and governments to direct all their efforts in the name of avoiding universal destruction of the human race. There is no boundary which can separate people who are striving for this noble goal."

CSO:1825/002

WORLDWIDE TOPICS

KAZAKH CHAMBER OF COMMERCE MEETS ON FOREIGN TRADE

Alma-Ata KAZAKHSTANSKAYA PRAVDA in Russian 24 Sep 86 p 3

[KazTAG article: "Developing Foreign Economic Relations"]

[Text] Products from Kazakh plants and associations are delivered to 90 countries and evoke continuous interest among visitors to international fairs and exhibits abroad. In turn many industries of our republic receive imported equipment and use leading technology and achievements of foreign science. A specific practical conversation on problems of the further development of foreign economic relations was held at a conference on 23 September in Karaganda. Participating were export enterprises of Karaganda and Dzhezkazgan oblasts which are active members of the Kazakh SSR Chamber of Trade and Industry.

Dozens of enterprises and organizations of this region export their products and import technology from abroad; the volume of the deliveries is increasing with each year. But at the same time, as was pointed out at the conference, specific enterprises are by no means fully utilizing export opportunities to increase the competitiveness of their industrial products in the foreign market. Certain plants are not presenting imported equipment for inspection by the chamber's experts, depriving Soviet foreign trade organizations of the opportunity to present complaints to foreign firms and to receive compensation for incomplete and poor quality deliveries.

The conference was opened by Deputy Chairman of Karaganda Oblispolkom O. Sh. Shakirov. The following persons spoke: Chairman of the Presidium of the Kazakh SSR Chamber of Commerce and Industry A. M. Kyrbasov, authorized representative of the USSR Ministry of Foreign Trade under the Kazakh SSR Council of Ministers S. M. Kanapyanov, Deputy Chief of an administration of the USSR Chamber of Commerce and Industry M. Kh. Akopov, senior expert of the USSR Ministry of Foreign Trade A. K. Korolev, and directors of industrial enterprises in the region. Responsible workers of the Karaganda Oblast Committee of the CP of Kazakhstan participated in the work of the conference. Recommendations were adopted.

CSO:1807/018-P

WORLDWIDE TOPICS

NORWEGIAN DELIVERIES OF HEAVY WATER TO ISRAEL CONFIRMED

Moscow IZVESTIYA in Russian 16 Oct 86 p 4

[Article by I. Ivanov: "Secret Deliveries"; passage in slant lines in all capitals in original]

[Text] /Oslo. (Special IZVESTIYA correspondent). The Ministry of Foreign Affairs has officially confirmed that Norway has been delivering so-called "heavy water" to Israel for a number of years./

The first information on the secret deliveries appeared in the Norwegian press in connection with reports in English newspapers that Israel has nuclear weapons in its arsenal. Appearing on television, the well-known researcher Sverre Lodgaard pointed out that Norway is directly responsible for this. The former government of E. Gerhardsen acceded to the wishes of Tel Aviv and, beginning in 1959, has delivered to Israel in all 21 tons of "heavy water," which is necessary for the production of the atomic bomb. The last lots were sent in 1970.

This announcement by the scientist evoked pointed discussion in Oslo. As it turned out, neither deputies in the parliament, nor many leading politicians in E. Gerhardsen's cabinet knew of the existence of the secret agreement between Norway and Israel. Now the ministry of foreign affairs has confirmed S. Lodgaard's data, pointing out that the deliveries were made on the condition that the "heavy water" was to be used for peaceful purposes.

CSO: 1825/019

WORLDWIDE TOPICS

EXPORT OF KIEV-MADE TELEVISION SETS INCREASING

Kiev RABOCHAYA GAZETA in Russian 14 Sep 86 p 2

[Article by A. Kopchuk: "Television Sets for Export"]

[Text] At the request of the West German firm Elektrokommerz the collective of the Lvov Elektron Production Association will increase deliveries of color sets to the FRG, Belgium, and Holland in the very near future.

Television sets with the Lvov trademark are in operation in over 30 countries. The first lot of items for export (these were the Ogonki for Bulgaria) came off the plant conveyor two decades ago. Their good quality, reliability, and well organized service are a guarantee of foreign firms' increased demand for the products of the Elektron Production Association.

Hundreds of foreign repair experts have been trained at the association's training facility; they also became familiar with progressive methods for servicing the latest models and the technology of their production. Our specialists who work abroad train local television experts, provide consultations, and organize demonstration repair of the sets.

In the last five-year plan the association assembly conveyor turned out third generation TV sets which are technically comparable to international analogs; this has been confirmed by testing the new models in a number of countries, including Japan. This was immediately reflected in export deliveries -- they have doubled.

CSO: 1825/009

SOCIALIST COMMUNITY AND CEMA AFFAIRS

CEMA COUNTRIES' 1986 STATE BUDGETS

Moscow FINANSY SSSR in Russian No 6, Jun 86 pp 71-74

[Article: "State Budgets of the CEMA Member-Countries for 1986: Finances of the Socialist Countries"]

[Text] At the end of this past year in all the CEMA member-countries sessions were held of the highest organs of state power; they adopted national-economic plans and state budgets for 1986. It was noted at the sessions that, despite the complicated conditions caused by difficulties in the foreign markets as well as by the exhaustion of the possibilities for extensive development, in 1985 the economy as a whole developed in a satisfactory manner. The plan assignments were fulfilled for most indicators. There was an increase in labor productivity, as well as a rise in the population's income.

Nevertheless, the sessions noted insufficient growth in the effectiveness of management and in the introduction of the achievements of scientific and technical progress. There were failures to completely carry out the assigned tasks with regard to reducing production expenditures, upgrading the quality of products, the effectiveness of exports, and supplying goods in the required assortment.

According to the preliminary data in most of the CEMA member-countries, the state budgets for 1985 will be completed with an excess of income over expenditures.

The 1986 budgets have been approved in the following totals (see Table).

	PRB	HPR	GDR	MPR	PPR	SRR	CSSR
(billions)	leva	forints	ost- marks	tugriks	zlotys	lei	koronas
Income	19.5	575.3	242.88	5.865	4.441	340.9	359.9
Expendi- tures	19.4	598.2	242.72	5.855	4.592	340.9	359.9

In the People's Republic of Bulgaria in 1986 the national income will increase by 4 percent in comparison with 1985. This will be achieved primarily by means of increasing labor productivity. The volume of industrial output in comparable prices will increase by 4.5 percent, agricultural output by 7.4 percent, and

the real income of working people by 2 percent. The amount of capital investments in the national economy during the current year will reach 9,150 leva.

The amount on the income side of the budget in 1986 will increase as compared to the pre-planned amount for 1985 by 7.8 percent. The basic part of the budget's incomes--18 billion leva, or 92 percent--comprise revenues from socialist economic organizations: taxes on profits, turnover taxes, and deductions for social insurance. In comparison with the anticipated performance of the budget for 1985, the deductions from profits will grow by 1.3 billion leva, while the turnover tax will increase by 122 million leva. Budget revenues of the State Social Insurance and the Council for the Mutual Insurance of Cooperative Members will increase in 1986 by 2.5 percent and will reach 3.7 million leva. Revenues from taxes on the population, just as before, will comprise 8 percent of all income.

The state budget for 1986 has been worked out in accordance with the adopted course aimed at intensifying the national economy and by the decisions of the February (1985) Plenum of the BCP [Bulgarian Communist Party] on new approaches in working out and conducting scientific and technical policy. In connection with this, a new procedure is being introduced for financing scientific-research activity and experimental-design developments. It is based on the principle of financing not scientific institutions and departments but rather a specific program group which has completely finished a scientific research project. It is assumed that such a method of financing will facilitate a more targeted expenditure of funds for science at the level of the national economy as a whole and in individual economic organizations. Moreover, a more efficient system of controls is being created for achieving the planned economic effect from the introduction of innovations into production. The total amount of expenditures for science and technical development will reach 862 million levas and will increase by 11 percent as compared with 1985. The funds for this purpose will comprise 3.1 percent of the planned volume of the country's national income (in 1985 this figure was 2.8 percent).

In 1986 the allotment from the state budget for financing capital investments is planned to be 2,597 million levas, including more than 1 billion levas. These financial resources ensure a speed-up in creating new production capacities in electric-power engineering, metallurgy, land and water reclamation. In the non-production sphere they will be utilized primarily for the construction of apartments, hospitals, and children's pre-school institutions.

Some 1566 million levas will be allocated during the current year for the development of education, and health care, sports, and tourism will receive 1143 million levas. Budgetary expenditures for the development of culture will increase by 6.5 percent in comparison with 1985. There will be significant growth in the budget allocations for social insurance: 2627 million levas will be allocated to pay out pensions, which is 214 million levas more than in 1985. Funds for encouraging a higher birth rate will be increased by 117 million levas.

Budgetary expenditures for maintaining the organs of state power and administration, the courts and the public prosecutor's office will insignificantly

exceed the expenditures for these purposes in 1985 and will amount to 328.4 million levas.

The republic's budget was approved for income amounting to 13,794.6 million levas and 13,779.6 million levas for expenditures, with an excess of 15 million levas of incomes over expenditures. Some 3937.6 million levas have been approved for local budgets.

The principal part of these funds are allocated to finance the development of the infra-structure and for socio-cultural measures.

The budget system of the Hungarian Peoples' Republic has introduced changes connected with further expanding the rights of the local councils to dispose of financial assets. This has led to the assignment of local budgets to the relatively independent link in the budget system, which now consists of the state (central) budget, the budgets of the local councils, and the off-budget funds. Each of these links has its own incomes and expenditures, as well as being connected with other contributions and state subsidies.

The country's national-economic plan states that in 1986 the national income will grow by 2.3--2.7 percent in comparison with 1985. Industrial production will increase by 2--2.5 percent, agricultural production by 3--3.5 percent, and consumer goods by 1 percent. The amount of capital investments is planned to be 201--204 billion forints, i.e., approximately at the level of the preceding year. Revenues of the budget system as a whole will grow by 7 percent and will amount to 682 billion forints, while expenditures are planned in the amount of 706 billion forints. Of these, 73.4 percent will pass through the state budget, 22.1 percent through local budgets, and 4.5 percent through off-budget funds.

Revenues of the state (central) budget will amount to 575.3 billion forints. This means a growth of revenues by 9 percent as compared with last year, while expenditures will increase by 10.4 percent. Budgetary revenues will be 83.2 percent formed by means of payments from enterprises. Their total will amount to 478.7 billion forints, including 94.5 billion forints for the consumer tax and the turnover tax, 97.7 billion forints for contribution to social insurance, and 286.5 billion forints for miscellaneous payments.

Payments by the population will amount to 49.6 billion forints, or 8.6 percent of the budgetary revenues, including: tax payments--10.9 billion forints, collections--2.5 billion forints, contributions to social insurance and the pension tax--36.2 billion forints.

Budgetary expenditures for state subsidies to enterprises and privileges with regard to taxes for them will amount to 154.6 billion forints, or 25.8 percent of all expenditures. This includes compensations for taxes and privileges on taxes amounting to 61.5 billion forints, state subsidies to enterprises for their current activity--41 billion forints, and subsidies for consumer-goods prices--52.1 billion forints.

It is planned to allocate 38.7 billion forints, i.e., 6.5 percent of all expenditures, for purposes of accumulation during the current year. This includes outlays for centralized capital investments amounting to 24.1 billion forints, along with subsidies for decentralized capital investments and supplementing the assets of enterprises amounting to 9.1 billion forints.

Funds totaling 141.1 billion forints, or 23.6 percent of all expenditures, will be allocated for purposes of social insurance, including amounts for payment of pensions, family bonus, assistance for temporary disability and for child care, subsidies for medicines, etc.

In order to finance the operation of the budgetary institutions and the organizations under central jurisdiction, 110.2 billion forints (18.4 percent of all expenditures) will be allocated, including 40.3 billion forints (6.7 percent of all expenditures) for defense and other military expenditures.

It is anticipated that in 1986 the incomes of the local councils will reach 156 billion forints. Of these amounts, 40 percent will consist of their own incomes, 48 percent--state subsidies, and 12 percent--miscellaneous. About 70 percent of these funds will be directed at financing current activity, 25 percent--at purposes of development, and 5 percent--at subsidies for enterprises under the jurisdiction of the councils.

The budgetary system of the HPR [Hungarian People's Republic] also includes off-budget funds (more than 100 of them). The right to set up such funds is held by the Council of Ministers, which likewise monitors their activity. Sources for the creation of such funds include deductions and dues from enterprises, economic and public organizations, as well as cooperatives (through the central boards of their unions). Such funds are of various types; they exist independently or in connection with some kind of organization. (For example, the fund for covering credits under the Hungarian National Bank, the centralized fund for technical development, the fund for research and development under the ministries, the fund for vocational retraining, etc.). These funds are targeted in their nature, a portion of them is formed primarily from budgetary funds for granting subsidies and privileges or loans to enterprises and organizations for integrated measures; others, in contrast, are formed by means of contributions from various organizations, and a portion of their funds is deducted and sent to the budget for purposes of redistribution. In connection with this, the income part of the state budget provides for revenues from these off-budget funds (in 1986 they will amount to 240 million forints); the expenditure part is planned to have a total of subsidies to the funds (amounting to 5690 million forints).

The economic growth rate of the German Democratic Republic remains stable. The 1986 plan provides for a 4.4 percent increase in the national income; industrial production is to grow by 3 percent, and foreign trade turnover--by 5 percent. The volume of capital investments will increase by 5.2 percent and will amount to 63.1 billion ostmarks.

The country's 1986 budget has been drawn up in accordance with the national-economic plan and on its basis. Its incomes are scheduled to reach 242.9 billion ostmarks. Of these, 78 percent will be provided by means of payments by enterprises and combines from all sectors of the economy. They will put 193.1 billion ostmarks into the budget. Taxes and collections from the population will comprise 18.1 billion ostmarks, while contributions for social insurance will come to 17.6 billion ostmarks.

Budgetary expenditures are planned for a total of 242.7 billion ostmarks. Of these, 73.5 billion ostmarks have been earmarked for financing the national economy, including 2.4 billion ostmarks in subsidies to agriculture. Furthermore, 46.2 billion ostmarks are being allocated in order to ensure the stability of prices on goods of prime necessity and rates on services. Some 2.8 billion ostmarks will be assigned for financing research in the field of science and technology, while an amount of 8.8 billion ostmarks will be earmarked for analogous purposes at enterprises and combines. Budgetary expenditures totaling 83.2 billion ostmarks have been provided for social and cultural measures, including 15.4 billion ostmarks for housing construction, which, along with credit and the population's own funds, will allow 27.2 billion ostmarks to be spent for this purpose, or 8.4 percent more than in 1985.

Expenditures for maintaining the state apparatus and economic management organs have been allocated amounts totaling 4.3 billion ostmarks, for national defense--14 billion ostmarks, for maintaining law and order, public security, and guarding the state borders--5.4 billion ostmarks.

Incomes for the central budget are planned to total 191.7 billion ostmarks; expenditures--191.6 billion ostmarks. Incomes and expenditures of local budgets have been set at an amount of 51.1 billion ostmarks, including 31.7 billion ostmarks for their own incomes, while contributions from the central budget have been approved in the amount of 19.4 billion ostmarks.

The state plan for the economic and social development of the Mongolian People's Republic for 1986 provides for a 4.5 percent increase in the national income. Labor productivity in industry will grow by 2.1 percent and in construction--by 3.2 percent. The population's real income will increase by 1.4 percent. During the current year the revenues of the state budget will grow by 5.6 percent. Some 67 percent of the profits of enterprises and economic organizations will be transferred into the budget.

For the Ministry of Light and Food Industry the income from product sales is slated to increase by 4 percent. By means of reducing product cost by 5.2 percent and increasing labor productivity, an approximately 70 percent growth in this sector's output will be ensured. The lumbering and wood-processing enterprises will produce an output worth 329.8 tugriks; they will obtain 44 million tugriks in profits and will contribute 33.5 million tugriks to the budget.

Of the total sum of expenditures, 39 percent will be earmarked for financing the national economy, and 41 percent will be allocated for social and cultural measures. In order to implement the measures of the target program for developing agriculture and improving the supply of food to the population, 580 million tugriks, or 25.1 percent of all the funds earmarked for financing the national economy. Some 1107.6 million tugriks are being allocated from all sources in order to finance industry.

Expenditures on socio-cultural measures will increase by 7.3 percent. In order to reinforce the material foundation of institutions of public education, improve their guaranteed supply of teaching personnel, pay out stipends and other plan measures, 1073.2 million tugriks are being allocated, which is 8.8 percent more than in 1985. Budget outlays for health care will grow by 2.4 percent and will amount to 477.3 million tugriks. Allocations for measures for developing physical education and sports will increase by 5.9 percent.

The revenues of local budgets will grow by 375.6 million tugriks and will comprise 2409.4 million tugriks. Receipts from state and cooperative enterprises will attain 98.4 percent of the incomes of the local budgets. Some 32.8 percent of their expenditures will be directed into financing the national economy, while 62.8 percent will be earmarked for social and cultural measures. Administrative and other miscellaneous outlays will amount to 4.4 percent. During the current year 62.5 percent of the allocations earmarked from the state budget for social and cultural measures will be handled through the local budgets.

The state budget of the Polish People's Republic has been worked out in accordance with the fundamental provisions of the Central Plan for 1986. The national income produced will increase by 3.1--3.4 percent, consumer goods by 2.5 percent, and the supply of items to the retail market by 2.9 percent.

Budgetary revenues (in current prices) for 1986 will increase by 17.4 percent, while expenditures will increase by 15.4 percent. In the income part of the budget the principal place is occupied by the revenue from the socialized enterprises--80.7 percent. They will increase by 18.7 percent. Their proportion in the total amount of the income will increase. The turnover tax will increase by 7 percent and will reach 1360 billion zlotys; the income tax will increase by 19 percent and will amount to 1300 billion zlotys. Deductions for social insurance will comprise 10.2 percent of the total sum of incomes, while receipts from the non-socialized sector of the economy will amount to 3.3 percent.

Of the total amount of state budgetary expenditures, 37.5 percent will be allocated to finance the national economy. Subsidies for prices on non-food items will increase by 8.6 percent. Subsidies to passenger-transport enterprises will increase by 13.9 percent, while those to enterprises engaged in housing and municipal services will increase by 37.2 percent.

Budgetary outlays for capital investments are planned to amount to 655 billion zlotys, which is 13 percent higher than the actual expenditures in 1985. Expenditures for social and cultural measures will grow by 170 billion zlotys. Plans are to reduce employment in the administrative sphere. Expenditures for

Expenditures for administration will amount to 96 billion zlotys. The proportional share of expenditures for defense will be reduced from 7.9 to 7.6 percent.

The state budget for the Socialist Republic of Romania for the current year has been approved for incomes and expenditures amounting to 340.9 million lei. The sum total of reserve funds at the disposal of the State Council and included within the budgetary expenditures will amount to 39.5 billion lei.

Revenues to be received by the budget by means of deductions from profits and the cost of net output in the form of a turnover tax and payments for land are planned for 218 billion lei. Income from the general wage fund will amount to 47.5 billion lei, the tax on the income from cooperative and public organizations--to 1.9 billion lei, and the tax on the activity of agricultural production cooperatives--to 1.5 billion lei. Revenues from taxes and collections from the population are planned to come to 4.2 billion lei. Income of the state social insurance budget is provided at 43.2 billion lei.

Financing of the national economy is carried out by means of the economic organizations' own funds for development, budgetary funds, and banking credits. During the current year budgetary expenditures for this purpose will amount to 185.2 billion lei, including 5.6 billion lei for agro-veterinary measures, 3 billion lei for road and bridge maintenance, and 2.1 billion lei for developing municipal services. Budgetary allotments for science are planned for an amount of 2 billion lei, with 7.9 billion lei to be earmarked for geological prospecting operations.

Some 110.9 billion lei out of all sources will be allocated to finance social and cultural measures. The total sum of expenditures for health care will reach 18.4 billion lei (including 17.7 billion lei to be allocated from the budget), for education--22 billion lei (17.1 billion lei from the budget), for social security--3 billion lei (2.9 billion lei from the budget), and 45.9 billion lei for social insurance (38.7 billion lei from the budget). Allocations for maintaining the organs of state authority and administration will amount to 3.8 billion lei, for defense--12.2 billion lei.

Local budgets have been approved for incomes amounting to 22.6 billion lei and expenditures amounting to 18.4 billion lei. From the total of the excess in income over expenditures the people's councils will contribute to the state budget 3.3 billion lei, while their working capital for self-financing will amount to 0.9 billion lei.

The state budget of the Czechoslovak Socialist Republic, including the budget of the federation, the budgets of the republics, and the local budgets, has been approved in the amount of 359.9 billion koronas, which is 4.5 percent higher than the 1985 level. The greatest share in the budgetary revenues is occupied by payments of the economic organizations, which during the current year will grow by 11 percent. Among them, the turnover tax alone will provide 26 percent of the budget's revenues. Taxes and collections from the population account for 15 percent of all revenues to the state budget.

More than 16 percent of the funds from the state budget are being allocated to finance the national economy. During the current year state subsidies to the fuel-and-energy complex, transport, lumbering, housing and municipal services are being increased by 5 billion koronas. Financing current expenditures in the sphere of scientific and technical development will require expenditures in the amount of 19.4 billion koronas.

Current expenditures for social and cultural measures will grow in comparison with 1985 by 3.2 percent and will reach 165.4 billion koronas, which comprises 46 percent of all budgetary expenditures. More than half of these funds--about 90 billion koronas--constitute social security payments. Of these, 54.9 billion koronas are allocated for paying out pensions. Allocations for education will increase by 4.3 percent and will comprise 27 billion koronas, for health care--27.4 billion (a 7 percent increase), for culture--4.8 billion koronas. Some 27.1 billion koronas will be allocated into the sphere of housing construction and municipal services.

The volume of the federal budget will reach 200.3 billion koronas, including revenues from socialized enterprises amounting to 91 percent. Of the total sum of expenditures, almost 68 billion koronas, or 34 percent, will be allocated to finance organizations under federal jurisdiction, and 132 billion koronas, or 64 percent of its expenditures, will be granted in the form of subsidies to the budgets of the republics. Expenditures of the federal budget for defense and the country's security amount to 6.2 of the country's entire budgetary expenditures. Local budgets are planned for a total of 125 billion koronas.

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2384

CSO: 1825/99

SOCIALIST COMMUNITY AND CEMA AFFAIRS

CEMA COMMISSION ON GEOLOGY MEETS IN MONGOLIA

Moscow EKONOMICHESKAYA GAZETA in Russian No 40, 6 Oct 86 p 21

[TASS article: "In the CEMA Commission on Geology"]

[Text] The 52nd session of the CEMA Permanent Commission on Cooperation in the Field of Geology met in Darhan (Mongolian People's Republic). Delegations from the following CEMA member countries participated: Bulgaria, the GDR, Hungary, Vietnam, Cuba, Mongolia, Poland, Romania, and Czechoslovakia, as well as a delegation from Yugoslavia.

The commission reviewed tasks stemming from the decree of the 119th session of the CEMA Executive Committee and determined conditions and time frames for its execution, in particular as it relates to geology.

The commission discussed the draft of an agreement on scientific and technical and production cooperation on the realization of the problem of the Integrated Program of Scientific and Technical Progress of CEMA Member Countries to the Year 2000 relating to the field of geology, the course of carrying out agreements on establishing an international geological expedition in the Mongolian People's Republic, and work to develop geological prospecting technology and in the field of geological information.

Session participants heard and approved reports on the commission's activity during the accountability period, on the basic direction of its future work and on the future prospects for the development of the mineral base of the Mongolian People's Republic and approved a work plan for the period 1987-1988.

CSO: 1825/008

THIRD WORLD ISSUES

TASS: FIGURES ON TRADE WITH ARAB COUNTRIES DETAILED

LD150739 Moscow TASS in English 0612 GMT 15 Oct 86

[Text] Moscow, 14 Oct (TASS)--TASS economic news desk reporting:

The volume of trade between the Soviet Union and Arab countries in the first 6 months of this year amounted to about 1.62 billion roubles, according to the Ministry of Foreign Trade of the USSR. The Soviet imports from Arab countries stood at nearly 1.06 billion roubles over the period.

Soviet foreign trade associations buy from their Arab partners a wide range of products from fuels and raw materials to manufactured goods and agricultural produce. The bulk of Soviet exports to Arab countries is machines and equipment, transport facilities, consumer goods, and others.

Libya was the major Soviet trade partner from among Arab countries in January through June, 1986. The volume of Soviet-Libyan trade reached 471.6 million roubles over the 6 months.

The volume of trade between the Soviet Union and Iraq in the half year was 390.2 million roubles, an up over the same period of 1985. Trade between the USSR and Syria also grew to reach 262.8 million roubles, a 26-million-rouble rise over January-June, 1985.

Soviet trade with Egypt stood at 269 million roubles, with Morocco 72.9 million roubles, and with Algeria 51.3 million.

Trade between the USSR and the People's Democratic Republic of Yemen grew to reach 50.8 million roubles in the half year. Soviet trade with Tunisia amounted to 14.8 million roubles, with Saudi Arabia 12.7 million, with Jordan 6 million, with Lebanon 5.3 million, with the Yemen Arab Republic 4.1 million, and with Kuwait 3.7 million roubles.

The Soviet foreign trade association, "Selkhozpromexport," has signed a contract with organisations from the People's Democratic Republic of Yemen for the delivery to them of equipment and materials for water prospecting. They will be used in drilling and bringing in 60 wells with Soviet technological assistance.

The Soviet foreign trade association, "Tyazhpromexport," has signed a fresh contract with its Egyptian partners for the delivery to them of equipment for the iron-and-steel industry. The equipment will be installed at the Helwan works built in Egypt with Soviet technological assistance.

Besides, a number of contracts were signed earlier this year for the delivery of equipment, materials and spares for the Helwan works.

/9599

CSO: 1812/8

UNITED STATES AND CANADA

ARMS RACE BLAMED FOR BUDGET DEFICIT, U.S. ECONOMIC PROBLEMS

LD071409 Moscow TASS in English 1354 GMT 7 Aug 86

[Text] Moscow 7 August TASS--TASS writer Ivan Ablamov writes:

As estimated by the U.S. Administration, the American federal budget is to have a deficit of 230 billion dollars in the current fiscal year as compared with 212 billion dollars last year. The deteriorating financial position of the USA is explained--by American experts, too--largely by enormous arms spending. During the last five years the Washington administration spent 1.3 trillion dollars on these unproductive purposes, or approximately 50 percent more than in the first half of the decade. As the magazine FORTUNE put it, that was a big victory for the Pentagon. At the same time, the American economy which is weighed down by heavy military expenditures, has found itself in a very grave situation.

Enormous funds are being deflected from civilian industries to the military business. As a result, economic growth rates in the USA showed a decline of 30 percent in the last five years as compared with the average for all the pre-war years. This is said in a report prepared by Democratic Party members in the joint economic committee of the U.S. Congress. The American economy has been practically stagnating since the beginning of this year. In the second quarter of the year its growth rate was a mere 1.1 percent when calculated on an annual basis. The oil industry is bleeding, the manufacturing industries ailing and the heavy industry expiring, wrote the newspaper BOSTON GLOBE.

Naturally, the present administration, preoccupied with the arms race, does not have enough funds for modernising the nation's production potential. As a result, the United States loses one position after another in scientific and technological competition with other countries, especially Japan and Western Europe. Its foreign trade positions are worsening and its trade deficit, huge as it is, keeps growing.

Under the present administration the federal debt has increased to 2 trillion dollars, primarily due to the policy of militarisation. In the financial field the United States has actually found itself set back to the beginning of the century. It has become one of the biggest debtors in the world. The dollar's positions in world currency markets is growing weaker, which is evidenced by the continued decline of its exchange rate. The Reagan

Administration makes no secret of its intention to try, as before, to finance U.S. arms build-up by inviting foreign capital and bleeding white its allies. But this means a further intensification of "economic wars" with them.

There is a growing realisation in the United States that militarisation is doing great harm to the national economy. This finds expression in heated debates over the military budget in Congress and among U.S. political and public circles. But disregarding these fears, the Washington administration is pursuing its disastrous adventurist policy.

/12913

CSO: 1812/2

UNITED STATES AND CANADA

ALLEGED CIA PRESSURE ALTERED ENDING OF BOOK ON KAL INCIDENT

PM101009 Moscow IZVESTIYA in Russian 31 Aug 86 Morning Edition p 4

[A. Shalnev article under the "Apt Remarks" rubric: "After a Call from the CIA"]

[Text] Washington is clearly in a hurry. The book itself has not yet come out but its basic theses have been leaked: Time is at a premium, the deadline is 1 September.

Three years ago, on the night of 1 September, a plane belonging to the South Korean airline KAL penetrated Soviet airspace. The book by the major American journalist Seymour Hersh, which has already been written but not yet been published, is about that incident. Hersh spent more than 2 years preparing it, trying to unearth all the facts about the spying mission assigned to the Boeing-707 crew.

Perhaps he dug too deeply: The CIA and National Security Agency became seriously alarmed. CIA Director William Casey himself rang Hersh and to all intents and purposes threatened him with punitive measures. There may have been other contacts behind the scenes, and more effective ways of exerting influence may also have been put in train.

All this can only be guessed. But there is one thing that is clear: The book, which the publishers promised "will put Casey and other administration figures in a difficult position," will do no such thing. Judging by the excerpts which have appeared in recent days in THE NEW YORK TIMES, the book's basic conclusion will wholly suit the CIA and NSA, and, of course, the White House. The conclusion is as follows: The South Korean plane was not carrying out a spying mission; it entered Soviet airspace as a result of navigation errors by the crews.

It did not take much to come to that conclusion: All you have to do is ignore already well-known facts along with those which the author certainly garnered during his 2 years of research, but which the CIA and NSA, that is, the actual organizers of espionage flight 007, deemed "unreliable."

Some of those facts did, nevertheless, fetch up in the book. THE NEW YORK TIMES, quoting excerpts from the book, writes, for example, that "when the

passenger liner entered Soviet airspace above the Kamchatka peninsula there was an American reconnaissance plane in the area" -- one of those which carry out an intelligence-gathering program, patrolling along a line in the form of a figure eight on the very border of Soviet airspace and the Soviet radar operation zone." But, on recalling this fact, Hersh himself, however, essentially brushes it aside. And yet it is a very substantial point: According to John (Keppel), who was on duty at his State Department desk on the night of the South Korean plane's intrusion and consequently knew much about what Washington officialdom has been covering up for 3 years now, the RS-135 reconnaissance plane was sent to violate the Soviet airspace zone especially to "confuse the Russians" and thus make 007's mission easier.

Moreover, Hersh managed to extract from American intelligence staffers the admission that "a large number of American planes carrying out military intelligence tasks were operating" in that air region.

But the rifle hanging on the wall simply failed to go off at the end of the final act: The facts did not fit the pattern of the exposition of events on the night of 31 August/1 September 1983 that Washington would like to publicize, and for that reason the facts are merely given in passing in order not to attract attention to them or make them the basis of conclusions that Washington considers "unnecessary."

And Washington officialdom can publish without particular harm to itself and thus "celebrate" the anniversary of the U.S. special services' monstrous provocation.

/12724

CSO: 1807/31

UNITED STATES AND CANADA

MOSCOW'S ATTEMPT TO INTERVIEW JEWISH DEFENSE LEAGUE REPORTED

LD141202 Moscow Domestic Service in Russian 0630 GMT 14 Sep 86

[Report by Igor Charikov with recorded portions]

[Text] [Charikov] Here in the editorial office we have been receiving over the past few days numerous telephone calls from listeners who are outraged by the provocative actions of the so-called Jewish Defense League (JDL) against the Moiseyev dance ensemble currently touring the United States.

For example, here is a letter from a teacher by the name of Savvina, a teacher from Cheboksary: I and many of my colleagues cannot understand why these ruffians are running loose in the United States. Who allows them to commit their acts of hooliganism? Surely the U.S. authorities can see that this Jewish Defense League engages in genuine terroristic activities and poisons the atmosphere of Soviet-U.S. relations. It is time to put an end to this outrage. Comrades, other letters also contain similar views.

We in the editorial office decided to phone the Jewish Defense League in New York at the number in the city telephone directory and ask them all these questions on behalf of our listeners.

No conversation took place however, and for the following reasons. Here is what we managed to record:

[Begin recording] [Operator] Hello? They are just about to connect New York where a machine will answer you. Hang on a minute.

[Female voice in English] We now have karate and gun training for these Jews interested in learning how to defend themselves. Write to us at JDL, 134 West 42nd, Room 602, New York, New York 10001. At the sound of the tone leave your name and phone number and remember, we're talking.

[Charikov in English] This is the radio Moscow correspondent and I want to talk to you and to ask you a few questions. I am very sorry that...
[End recording]

[Charikov, interrupting] Here's a word-for-word translation of the text spoken by the anonymous answering machine: We now have karate and gun training. Anyone who's interested can write to us at 134 42nd Street, New York, New York 10001. After the tone leave your name and address and remember, we're talking.

This was spoken by a female voice and after the tone I introduced myself and said that I would like to ask a few questions and was sorry that nobody had answered the phone. I said that we would phone back the next day at the same time. The following day, however, the same thing happened; the answering machine repeated the recorded text. Our attempt to interview by phone from Moscow members of the infamous Jewish Defense League came to nothing.

We then had a long discussion on the subject in the editorial office and came to the conclusion that the fictitious [as heard] number in the city directory, the anonymous answering machine, the advertising text sounding like a radio recruitment jingle and, as it later transpired, the complete absence of any means of getting through to the league's top officials are all far from coincidences. Most probably they are elements of the camouflage beneath which the league conceals vile deeds, hooliganistic gatherings and other disgusting actions. So the organizers and perpetrators of these revolting and, even by U.S. standards, hooliganistic, senseless and terroristic -- yes, terroristic -- outbursts hide from open discussion and are afraid to accept open battle. They haven't a leg to stand on.

/12624

CSO: 1807/30

UNITED STATES AND CANADA

U.S.-ISRAELI AGREEMENT ON RADIO RETRANSMITTERS SCORED

'Ideological Sabotage' Claimed

LD011832 Moscow TASS International Service in Russian 0844 GMT 1 Aug 86

[Text] New York, 1 Aug (TASS)--TASS correspondent Maksim Knyazkov reports: With Israel's assistance the Reagan administration has taken a new step aimed at extending its ideological sabotage against countries of the socialist community and the Arab peoples.

A ceremony to initial a U.S.-Israeli agreement, in conformity with which 16 retransmitting stations will be opened on Israeli territory in the near future, to service such subversive radio centers as "Voice of America," Radio "Liberty" and Radio "Free Europe" has taken place in Jerusalem in the presence of U.S. Vice President G. Bush.

Observers are pointing out that an important role in stepping up the psychological war not only against socialist countries is being assigned to the new installations. The radio stations "Voice of America," "Liberty" and "Free Europe" are mouthpieces for the forces of Zionism which are using them to expand hostile propagandist activity against Arab states.

Washington intends to spend at least \$200 million on this project which has become further proof of the strategic alliance between Washington and Tel Aviv which is getting stronger. This is only a part of the means that Washington allocates for the conduct of a psychological war that is to secure its imperial claims through propaganda. Thus, Washington has already allocated \$1.3 million to modernize the "Voice of America." Those on the banks of Potomac are sparing no means also to provide such CIA brainchildren as radio "Liberty" and radio "Free Europe" with the latest equipment. The administration has requested for them \$167.5 million in fiscal year 1987. The stream of lies splashed out by these mouthpieces of the "cold war" is also steadily increasing.

BROADCASTING Magazine Cited

LD220914 Moscow TASS International Service in Russian 0338 GMT 22 Aug 86

[Text] New York, 22 Aug (TASS)--Correspondent V. Kikolo reports:

Official Washington, which is mercilessly saving on the needs of ordinary Americans, displays true generosity when it is a matter of the need to expand ideological subversion against the USSR and the other socialist countries. According to the Magazine BROADCASTING, influential members of the U.S. Congress and the Reagan administration have assured the leadership of the International Broadcasting Council, under whose formal jurisdiction are the subversive radio stations Voice of America, Liberty, and Free Europe (RL and RFE), that it will encounter "no difficulties with regard to funds" which will be required for the construction of a powerful retransmission complex in Israel for broadcasting to the Soviet Union.

And the funds needed, the magazine notes, are not small--between 200-300 million dollars. According to the agreement initialled by Washington and Tel Aviv, it is planned to build 16 transmitters in southern Israel, each of them with 500 kw power. This, as BROADCASTING points out, is "the most powerful transmission complex in the West" and will be used on an equal footing by the RL and RFE, which are waging psychological war against the USSR, socialist countries of Eastern Europe, and also against Afghanistan and the states of East Africa. The first \$40 million are to be allocated for these purposes this autumn.

In connection with this they note here that for the modernization of Voice of America alone, the Reagan's administration already has allocated \$1.3 billion. As far as Liberty and Free Europe are concerned, Washington intends to grant them \$167.5 million in the next fiscal year.

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CSO: 1807/32

WESTERN EUROPE

SPD CONGRESS HITS U.S. NUCLEAR WEAPONS IN FRG, FOR CW FREE ZONE

Moscow ZA RUBEZHOM in Russian No 37, 5-11 Sep 86 p 8

[Article by IZVESTIYA FRG correspondent and international journalist Evgeniy Vasilyevich Bovkun by telephone from Nuremberg under the rubric "Weekly Report": "The SPD Congress: Under the Slogans of Disarmament and Collaboration"]

[Text] The congress of the SPD--the largest opposition party in the FRG--was held in Nuremberg. Over five days more than 400 delegates held discussions on the political course of the Social Democrats and on preparations for the elections to the Bundestag which will take place in January of next year. The congress demonstrated that the SPD approaches the solution of a number of important international problems in a new way: the Social Democrats, who at one time supported the deployment of American medium-range nuclear weapons on the territory of the country, are now for their immediate removal. They are demanding a complete halt to nuclear testing, as well as the abrogation of an agreement between the United States and the FRG on Bonn's participation in creating weapons for "Star Wars." In the area of domestic policy, the SPD is proposing an entire system of measures to combat unemployment and overcome economic crises.

Tourists who wanted to drop in on Nuremberg in the last week of August were unlucky with the weather. Clouds often covered the ancient Franconian fortress high above the city, made of red sandstone in the 12th century. Many vacationers returning from southern Bavaria to the central and northern regions of the FRG bypassed Nuremberg.

The transportation arteries of Nuremberg nonetheless pulsed with intense rhythm. From August 25 to 29, the congress of the Social Democratic Party of Germany occurred here, which was followed with interest not only by the allies of the SPD and journalists, but by the whole conservative-liberal camp. For

the congress was held at an intense and crucial moment. There are 5 months remaining before the Bundestag elections, and several differences of opinion were noted within the SPD itself on a number of fundamental questions of domestic policy.

A Unity of Forces at the Crucial Moment

Therefore, when the SPD leadership invited journalists to a briefing on the evening before the congress, everyone wondered: What will they say about the situation in the party?

SPD Chairman Willy Brandt stated quite clearly that the Nuremberg forum must not turn into a congress of missed opportunities. Appealing to the delegates, he summoned all of them to unity and collectiveness. This was essential so as to obtain the opportunity, with the aid of a majority of the population, to form a government, explained in turn candidate for Chancellor J. Rau.

"What significance does the SPD leadership assign to the Nuremberg congress?" I asked Brandt when the unofficial part of the evening began after the appearance of the musicians in Bavarian national costume.

"This will undoubtedly be the most important congress of our party since Alena and Bad Godesburg. After all, the discussion concerns a consolidation of power at such a crucial moment," stated W. Brandt.

The multicolored panels with the pre-election positions of the SPD, fastened to the white platform of the presidium in Frankenhalle--a spacious pavilion of the exhibition complex in Nuremberg--reminded one at once: the Social Democrats felt that it was hardly possible to win the mandate of an absolute majority under conditions of the "structural hegemony of the CDU" (in the expression of assistant Rau Bodo Hombach). Therefore, Rau was gambling on a "coalition with the voters," that is the support of a majority of the population, arming himself with the demands of the broad popular masses. Disarmament, social justice, new jobs, equality for women, a healthy environment--it was these slogans that were written on the colored panels of Frankenhalle.

J. Rau announced at once at the congress that he intended to battle for the vote of all voters regardless of their party affiliations. In that way, he was counting on attracting many to his side who were disenchanted with the policies of H. Kohl.

The most important directions of SPD socio-economic policy were already fixed in the draft of the new Irzee program. It was developed by a special commission in the small Bavarian town of Irzee. This is the fourth party program of the Social Democrats. The draft was distributed to the delegates at the Nuremberg congress for preliminary familiarization. After the Bundestag elections, the draft will be discussed in the grass-roots organizations, so that the program can be affirmed at the regular 1988 congress.

In recent months the press has been trying to find out how substantial the

changes to the Godesberg program are. W. Brandt, re-elected chairman of the party for the twelfth time, explained that the SPD does not want to "amputate" the old program, but just refine it, taking into account such factors as the uncontrollability of weapons of mass destruction, the development of new technologies that threaten mankind, mass unemployment and the ecological crisis.

Applause from the delegates, thundering resonantly under the rafters of the Frankenhalle, greeted the words of W. Brandt: "Our common task is to win trust for J. Rau, so as to help him bring our Social-Democratic policies to life."

The delegates confirmed the candidacy of J. Rau for the post of chancellor from the SPD. The resolutions on the principal issues of domestic and foreign policy were adopted with just as much unanimity.

In the draft, which was called "The Social Shape of the Future," specific measures are proposed for the struggle against mass unemployment, improving the material welfare of the unemployed, pensioners and "Gastarbeiters"--foreign workers--and for the democratization of the economy and the humanization of labor. Furthermore, the SPD intends to create an "ecologically balanced production structure" which would meet the requirement to protect the environment.

Acknowledging the Error of the "Dual Resolution"

The draft resolution on the policies of peace and security was prepared by the SPD leaders. Its key points: preconditions for the Social-Democratic policies of security, security partnership between the East and the West, a strategy of averting war, ways of disarming and the anti-war movement.

All awaited the debates with great interest. The guest platform was filled to capacity. There was nowhere to squeeze in at the long red tables for the press, drawn up in a herring-bone pattern on the left side of the hall.

The expectations were rewarded. The SPD conveyed detailed evaluations of the resolutions and proposals recently advanced by the Social Democrats as alternatives to the course of the federal government that subordinate the national interests of the FRG to those of the United States. Andreas von Bulow, in the principal report on the theme of security, acknowledged the erroneous decision of the SPD congress in 1983, when the party gave its blessing to the "dual resolution" of NATO (opening the way for the deployment of American nuclear missiles in Western Europe) "notwithstanding the extreme hesitation of the majority of the delegates." This was the first time such an admission had been expressed from the platform of such a high-level Social-Democratic forum. The strategy of the Western alliance, which is turning nuclear suicide into an indispensable element of deterrence, is no longer trusted in the FRG, von Bulow declared.

The concept of "joint security" or a "partnership in security," developed in detail in the speeches of E. Bahr, G. Scheer and other delegates, received absolute support at the congress. "Joint security is the answer to the call

of the nuclear age, in which no one can feel himself to be safe anymore," emphasized E. Bahr in particular.

The resolutions adopted by the SPD required struggle for the removal of American nuclear missiles from FRG territory, the creation of a chemical-warfare-free zone in Europe and refusal to participate in SDI and other programs for the militarization of space. J. Rau cited these goals as paramount for his future cabinet. The demand for a ban on nuclear testing was also reflected in the documents of the congress.

"We Social Democrats have welcomed from the very beginning the resolution of the Soviet Union to extend the moratorium. We are standing up for our own point of view at all levels, including as allies of America in NATO," I was told by Horst Emke, deputy chairman of the SPD parliamentary faction and an expert on disarmament.

The extremely well-defined interconnection between the concepts of "social" and "political" security were emphasized at the congress. It could be felt clearly in the slogan advanced by W. Brandt: "Peace, labor, environment."

"Yes, this connection is obvious," emphasized H. Emke. "Mankind is investing hundreds of billions in arms production. These funds could achieve great success in the battle against hunger. And by the way, we squander not only funds on weapons, but creative potential, the creative forces of mankind as well. So many scientists and engineers in the West and the East must be employed improving military technology! And after all, every nation has many purely domestic problems: in the Soviet Union it is rebuilding the economy, and for us, it is mass unemployment. The only escape is to reshape one's own thinking."

On an Optimistic Note

In the draft of the Irzee program there is a special section called "Forward Together with the Youth." "The new quality of responsibility," it states there, "should be answered by the new quality of policy." One of the new orientation points for the SPD is the youth. The results of elections for party leadership demonstrated that its leadership personnel have been consistently younger. The adherents of a conservative course are losing influence appreciably. Some of them were elected to the leadership organs of the party only after repeated voting, receiving in that manner a unique "reminder" from the delegates. The representatives of the left wing of the party, such as O. Lafonten and E. Eppler, are enjoying ever greater reputations.

There is another new element of SPD policy--expanding the basis on which it has been based thus far, through the scientific and technical intelligentsia, the peasantry and the feminist movement.

"We have come up against the necessity of adapting the very quality of party work in the field to the changing conditions," noted G.-J. Vogel, chairman of the Bundestag faction of the SPD, in opening the "Living Cell" exhibition, in which 106 district organizations and production groups took part.

"H. Kohl-Free Zone" warned the stylized road sign. Another sign forbade the passage of transport with nuclear missiles. At the exhibition it was possible to buy souvenirs and look at a "video newspaper," but it was also possible to become acquainted with the specific work of the cells.

The Nuremberg congress ended on an optimistic note. The party has entered a decisive stage of the pre-election struggle. Many of the demands of the trade unions and participants in the anti-war movement have been taken into account and adopted. On October 25, J. Rau will call an extraordinary pre-election congress in Offenburg at which the public will become acquainted with his government program.

12821

CSO: 1825/3

WESTERN EUROPE

SOVIET-FRENCH COMMISSION DISCUSSES ECONOMIC TIES

PM101521 Moscow EKONOMICHESKAYA GAZETA in Russian No 41, Oct 86 (Signed to Press 2 Oct 86) p 21

[TASS report under the rubric "Foreign Economic Ties": "USSR-France: Reserves for Cooperation"]

[Text] The 23d session of the Soviet-French Joint Commission for Scientific, Technical, and Economic Cooperation was held in Moscow 23-26 September.

The results of cooperation between the USSR and France in the sphere of science, technology, and the economy in the past year were summed up. It was noted that business ties are developing in accordance with long-term programs and agreements and the decisions of sessions of the "grand" and "little" commissions.

Examining questions of the implementation of the program for deepening Soviet-French cooperation in the sphere of science and technology in 1983-1993 and individual intergovernmental agreements, the sides noted the successful progress of cooperation in the sphere of fundamental research, primarily along the avenues of mathematics, physics, astronomy, crystallography, seismology, and basic physical and chemical conditions for life. Positive results have been achieved in the sphere of medicine, environmental protection, and chemistry. Active work was done in sector groups on machine tool building and the petroleum, gas, chemical, timber, and pulp and paper industries. The commission commended that the activity of a number of working groups be stepped up, particularly in electrical equipment, tractors, and agricultural machines.

At the same time, the commission noted that in some spheres of cooperation there had not always been sufficient efficiency, evidence of which could be seen in the incomplete utilization of scientific exchange quotas agreed by the sides. With a view to enhancing fruitfulness and ensuring better adherence to the principle of mutual advantage which is characteristic of Soviet-French relations, the sides agreed to implement a gradual transition from the quota system of exchanges to a system based on specific projects.

The lack of commodity turnover growth was noted during an examination of the state of trade and economic relations. The French side expressed concern as

regards the continuing imbalance in trade. The sides reaffirmed the need to expand Soviet-French trade turnover, stressed the importance of the improvement of its structure, and displayed readiness to take measures to achieve a balance in trade, including by way of making better use of the results of scientific and technical cooperation for the development of trade and economic ties.

Taking into account the economic potential of the USSR and France and the high level of development of science and technology in the two countries, as well as the desire for a substantial expansion of bilateral cooperation expressed during the summit talks held in Moscow last July, the sides agreed to make reciprocal efforts to seek and develop new forms of cooperation, including industrial and commercial joint ventures and joint implementation of major projects. There was discussion of the possibility of creating joint enterprises in the Soviet Union with participation by French firms. It was deemed necessary to continue the study of this question, particularly at sector group levels.

A supplement to the program for deepening Soviet-French cooperation in the sphere of science and technology in 1983-1993 was signed.

The session was held in a constructive and frank atmosphere corresponding with the spirit and character of Soviet-French relations.

It was decided to hold the next session of the "little" commission in France during the second half of 1987.

/9599

CSO: 1807/33

WESTERN EUROPE

BRIEFS

BROADCASTING AGREEMENT WITH CYPRUS--Moscow September 16 TASS--The USSR State Committee for Television and Broadcasting and the Cyprus Broadcasting Corporation have signed today a working protocol on cooperation in radio and television broadcasting for the years 1986-1987. The protocol provides for the further exchange of radio and television materials about life in the Soviet Union and on Cyprus and for mutual assistance in preparing programmes about important events in the two countries. From the Soviet side the protocol was signed by Aleksandr Arsenov, chairman of the USSR State Committee for Television and Radio Broadcasting, and by Gabriel Scottis, chairman of the Administrative Council of the Cyprus Broadcasting Corporation, for Cyprus. [Text] [Moscow TASS in English 1731 GMT 16 Sep 86 LD] /6662

CSO: 1807/394

EASTERN EUROPE

HUNGARY: ROLE OF BANKS IN PRODUCTION INTENSIFICATION EXAMINED

Moscow FINANSY SSSR in Russian No 7, Jul 86 pp 62-65

[Article by L. V. Demina, junior scientific associate of NIFI: "The Role of Financial and Bank Organs Under Conditions of Production Intensification in the VNR [Hungarian People's Republic]"]

[Text] The basic aim in improving management of the national economy in the Hungarian People's Republic, as in other socialist countries, is raising efficiency of production and intensification of the economy. Serving as a means for achieving this aim are acceleration of scientific and technical progress, more fuller use of reserves, and raising the quality of production. A significant role in this process belongs to central financial and bank organs.

An important sphere in the activity of central financial and bank organs is exercising control over the work of economic organizations. Systematic analysis and appraisal of functioning of management elements is conducted on its basis. This makes it possible to step up improvement of the economic mechanism in the Hungarian People's Republic.

During the current 5-year plan and in the immediate future, the most important direction in developing the management system in Hungary is raising the independence and responsibility of enterprises for the results of their activity. In connection with changing economic conditions, the tasks of central organs also change. In 1985, some normative documents, concerning the tasks and jurisdiction of the Ministry of Finance as well as of the bank and credit system, came into force. Changes were made in the process of long-term financial planning, which is closely tied in with national economic planning as a whole. In the Hungarian People's Republic it is built according to the "upwards" principle and relies on the proposals of councils, public organizations, and collectives of enterprises. Long-term, mid-term (5-year, as a rule), and annual national economic plans are developed. The basic means of planned management of the national economy is a mid-term plan. It defines economic goals and tasks in the field of the rates of national economic development, main proportions, most important structural changes, and balance of the national economy. An annual plan is a part of a mid-term one and is developed for the purpose of fulfilling the tasks outlined in a 5-year plan and ensuring an economic balance for a year's period.

Long-term financial planning is carried out in the course of developing 5-year plans. The Ministry of Finance and the Hungarian National Bank work out proposals on questions of the fiscal policy as part of the state's economic conception. After consideration and approval in the Council of Ministers, the basic principles of the fiscal and credit policy are confirmed by the State Assembly in a law on a 5-year plan for development of the national economy as its component part. Defined in this document are the directions of movement of financial resources in accordance with movement of physical assets as well as economic levers which ensure this conformity.

Financial planning in the Hungarian People's Republic is carried out in the form of a state budget, a financial plan of local councils, and financial balance of revenues and expenditures of the state. In accordance with the new wording of the Law on State Finances, funds, which are earmarked for solving national tasks and satisfying public requirements, are concentrated in the budget. Budgets of local councils are funds earmarked for fulfilling tasks within their competence. In this case the state revenues are divided between the central budget and financial funds of local councils. (Footnote 1) (Magyar kozlony, 1985, N 20)

The mid-term financial plan of local councils is drawn up for 5 years. It is considered and confirmed by the State Assembly at the same time with the 5-year national economic plan and state budget for the first year of a 5-year plan. The Law on the Mid-Term Financial Plan of Local Councils establishes division of state revenues between the central budget and budgets of local councils, that is, sources of their own and divided revenues of councils as well as the volume of state subsidies are defined. The powers of local organs of authority with regard to regrouping resources available to them are also stipulated here. On the basis of a mid-term financial plan and the state budget, the local councils work out their annual budgets, which are not submitted for confirmation to the State Assembly.

The state budget of the Hungarian People's Republic, being an annual plan, includes the central budget and subsidies to budgets of local councils as well as various separate state financial funds. The revenues and expenditures of the state budget, budgets of local councils and separate state financial funds form a financial balance of revenues and expenditures of the state, which is an accounting document.

The Law on State Finances, which came into force in 1980 and was supplemented in 1985, sets basic principles of management of the state finance system, its functioning, and control. In accordance with it the system of state finances "includes those financial relations which arise between organs of state authority, state administration, local councils and their organizations, banks, and financial institutions as well as between all of them and economic organizations and other judicial and physical persons." (Footnote 1) ("Hungarian People's Republic. Constitution and Legislative Acts," Moscow, Progress, 1982, pp 257-258) The law regulates the rights and responsibilities of all links of the finance system.

The Ministry of Finance of the Hungarian People's Republic participates in developing a system of financial levers and rules which are necessary for achieving the goals set in the national economic plan and the budget. It determines

individual forms and methods of distributing funds between the budget and economic organizations and granting of privileges as well as the order of formation and utilization of cost accounting funds of enterprises. This work is carried out in the course of mid-term planning. The adopted provisions are then supplemented, improved, and so forth during the course of a 5-year plan. As a rule, changes are made during the last year of a 5-year plan so that prior to the beginning of a new period they could be approved and shortcomings could be brought to light.

As of 1985, the order of distributing profits of economic organizations and correspondingly the system of payments by enterprises to the budget was substantially changed in the Hungarian People's Republic. One-time withdrawals of funds to the budget from development funds of enterprises as well as transfer of a part of amortization deductions to the budget were abolished. To make up for the abolished payments and to stimulate efficient utilization of resources, new taxes were introduced: on wages, on property, and on accumulation.

According to new conditions, subsidies are not included in the volume of profits which are subject to taxation. Enterprises have a right to solve by themselves the question with regard to establishing a reserve. It is a primary deduction from profits and can be used in the course of a year to finance economic activity, to cover a deficit, and to replenish the motivation fund in case of unplanned losses or a shortage of funds for economic incentive. Enterprises then contribute to the budget a communal tax in the amount of 15 percent of balance profits, reduced by the amount of the reserve. The funds of this source are directed at development of cities and other populated places. After this primary payments are made toward paying off state credits. The profits, reduced by the amount of the reserve and payments for credits, are assessed a general tax on profits in the amount of 35 percent (increased to 40 percent since 1986). Enterprises then pay to the budget a tax on wages, which amounts to 10 percent of the disbursed wage fund. In so doing payments for social insurance in the amount of 40 percent of the wage fund, which are included in production cost, are retained.

By using the remaining profits enterprises establish a motivation fund, which is used for paying off obligations to the state and the bank, paying rewards to innovators, acquiring or paying off bonds, covering a shortage in the welfare and culture fund, and replenishing the working capital as well as financing development of production and stimulation of workers in the course of the year and for annual work results.

Three taxes are paid from the motivation fund: on property, on accumulation, and on earnings. The tax on property is deposited to the budget in the amount of 3 percent of the value of buildings, structures, machines, materials, and so forth which are listed on the balance (except for funds of a sociocultural nature) as well as the entire amount of monetary funds. The tax is not collected in the coal industry and trade in foodstuffs and a part of construction enterprises and small enterprises in other sectors of the national economy are exempt from it.

The tax on accumulation is set annually within the limits from 0 to 25 percent of the amount of increase of the fixed capital and the working capital, realized

by virtue of the motivation fund or credit paid off from the motivation fund. Such broad limits of change of tax rates on accumulation by years are used in order to influence the investment activity of enterprises.

Tax rates on earnings are set depending on the forms of wage regulation at an enterprise. The concept of "earnings" combines wages and individual payments from the motivation fund. During regulation of the level of wages the tax amounts to from 5 to 26 percent of payments to every worker of an enterprise depending on their amount. In case of regulation of the increase of earnings 150 to 450 percent of the amount of increase of rewards in a given year is collected. The amount of the tax is the same during centralized regulation of wages.

For several years, the Hungarian People's Republic has conducted work with regard to improving tax on turnover. In so doing it is being considered expedient to formulate a system of prices in which a small number of tax rates on turnover is set for a considerable part of consumer goods. During the past 15 years, their number has been reduced approximately from 2,000 to 250. In 1980, a so-called normative tax on turnover in the amount of 11 percent was instituted for a considerable part of manufactured products. After that a decision was adopted on formulating over a period of several years a unified tax system on turnover, in which only four percentage rates will be used (0, 11, 25, and 30 percent).

The role of tax on turnover as a source of budgetary receipts has noticeably increased in the past few years. By the end of the seventies, its share in budget revenues was small, expenditures for subsidies with regard to maintaining a certain level of prices considerably exceeded tax receipts on turnover. This situation has developed as a result of restraining the growth of retail prices, despite the increase of wholesale ones. In this situation the level of wholesale prices was higher than the level of retail prices, which required increasing budget expenditures for subsidies. The institution in 1980 of a new price formation system and regulations for providing budget subsidies pursued the goal of strengthening the role of tax on turnover and reducing expenditures for subsidies, retaining them only in cases which are substantiated by certain tasks of socioeconomic policy. As a result of a rise of consumer prices (retail prices and tariffs on services) on an average by 6-7 percent annually in the beginning of the eighties, the growth rate of budget subsidies has slowed down, and the use of tax on turnover has substantially expanded.

A new so-called consumer tax was instituted as of the beginning of 1985. It is extended on a small range of goods, for the most part on food and gustatory goods and luxury items--articles made of platinum and gold as well as cigarettes, beer, cosmetics, passenger cars, motor vehicle gasoline, and some other goods. Institution of this tax does not entail a change in retail prices. Its amount is determined by the Ministry of Finance of the Hungarian People's Republic depending on the difference between the wholesale and retail prices on goods as well as the amount of the tax rate on turnover in force. If as a result of tax standardization on turnover a much lower rate is set for goods, then retail prices remain unchanged and the difference is withdrawn to budget in the form of consumer tax.

At the beginning of the 6th 5-Year Plan (1981-85), a task was set in the Hungarian People's Republic to reduce budget subsidies. In this case, subsidies to retail prices and production subsidies for low profit and unprofitable enterprises were kept in mind. In 1983, some measures were adopted with regard to unprofitable enterprises and the economic activity routine of enterprises, which constantly operate at low economic efficiency, was changed. Included in this category are enterprises whose profitability during 2 years in succession has not reached half of the average profitability of a given sector (average profitability in industry--15 percent). In such a situation a higher organ can forbid a given enterprise to independently adopt decisions with regard to assimilating capital investments or increasing the number of employed. Moreover, it can order the sale of a part of an enterprise's fixed and working capital. Necessary for this is a conclusion by a bank and subdivisions of a corresponding ministry to the effect that difficulties have cropped up owing to poor organization of work.

If an enterprise finds itself in a difficult situation owing to objective reasons, then it must work out measures for eliminating unprofitableness or raising profitability. Two years are given for solving this task. After their elapse a decision can be adopted on transferring an enterprise's funds to a more profitable field or on eliminating a given economic unit.

Consistent implementation of these measures has made it possible to gradually reduce the volume of subsidies. The relative share of production subsidies for enterprises and subsidies to retail prices in state budget expenditures was reduced from 30 percent in 1980-81 to 25 percent in 1984. In 1985, they were planned in the amount of 141.2 billion forints, which amounts to 23.1 percent of budget expenditures. Not only relative, but also absolute reduction of their volume can be seen.

The role of financial control, which makes it possible for supervisory organs to determine how effectively the economic mechanism is stimulating fulfillment of set tasks by economic and other organizations, has considerably increased under these conditions.

As of January 1982, the Financial Control Main Administration (prior to this there was the State Revenues Main Administration) began to function in the Ministry of Finance of the Hungarian People's Republic. Such structural reorganization became necessary as a result of the change in the nature of control. Along with former tasks--control of taxation and links of economic organizations with the budget--included in the jurisdiction of the Main Administration now is financial and economic control. Its goal is control of balances of enterprises and correctness of economic activity results reflected in them and observance of directions with regard to accounting and financial discipline. Fulfillment by economic organizations of their financial obligations before the state as well as validity of receiving and correctness in utilization of budget subsidies is controlled.

A new aspect of financial and economic control is the complete analysis of economic activity of ministries, departments, and enterprises from the standpoint of realization of decisions of central organs. Results of centralized

measures are studied and their effect determined. Observance of legal acts and correctness in realization of new decisions with regard to raising management efficiency is controlled. On the basis of control materials an appraisal of the functioning of the economic regulation system is made and measures with regard to its further improvement are developed.

Two documents are drawn up at the end of inspection of enterprises--the inspection act and information. Recorded in the act are all uncovered errors, oversights, and violations of normative acts. Information contains a conclusion on the state of affairs at an enterprise. Along with enumeration of shortcomings it analyzes their causes and examines useful initiatives and positive results. Also reflected here are proposals with regard to eliminating shortcomings and improving work of an enterprise with the aim of raising profitability and efficiency in utilization of resources. These proposals then often form the basis of long-range programs for development of enterprises.

Expansion in the sphere of financial institutions' activity required changes in the bank system. As of 1985, the Hungarian National Bank continues its activity as the country's central bank, but an organizational division occurred in the fulfillment of emissive and credit functions. Within the framework of the bank's existing organizational structure two credit departments are organized, which do not engage in emissive activity. They will operate as independent banks. Such order is introduced in the course of a 5-year period. The specialized departments will carry out the basic part of credit operations, in particular their activity will extend to all large enterprises.

Credit extension conditions are changing. Compulsory requirements were abolished for credit effectiveness, which formerly were annually established in a centralized order (for example, credit was extended only to projects with a recovery period of no more than 5 years and so forth). Credit departments now decide themselves the question with regard to the expediency of extending credit to some or other operations and projects. The approach toward the concept of solvency has become more flexible: in deciding the question with regard to extending credit the bank also has a right to take into consideration elements such as the level of supervision of an enterprise, the ability of an enterprise to introduce innovations, its authority on the market, and so forth.

Financial resources of credit departments are formed from credits of banks of issuance and funds of enterprises in current accounts; loans received from other banks as well as monetary assets from issuance of bonds. Credit departments carry out their activity by taking into account the correlation of supply and demand and the policy of a bank of issuance as well as on the basis of analyzing the state of liquidity. They are provided an opportunity of participating in various operations with regard to issuance of bonds, accounting of securities, and so forth.

The network of banks is being expanded by means of organizing branch banks as well as other independent financial institutions. They keep various accounts, extend credit, and carry out other operations as self-supporting credit institutions. During the past several years, a large number of various funds were in operation in the Hungarian People's Republic, which are often called as small

banks. Such as the innovations fund, which engages in extending credit for the purpose of realization of inventions, patents, and so forth; several funds were organized at the State Development Bank, including the Financial Association of Technical Development, the fund of innovations in construction, and others.

The Hungarian economists have positively appraised the functioning experience of these funds. In 1985, some of the funds have changed their status: the Budapest institution is being reorganized into a branch bank of the Hungarian National Bank under the name of the Budapest Credit Bank. Its functions are similar to functions of the national bank's credit departments. The enterprise fund of the Hungarian National Bank has been operating as an independent financial institution since the beginning of 1985. Its task consists in providing funds which are necessary for organization and activity of economic associations and groups and small cooperatives. It provides various services, such as rendering assistance in reaching agreements on the rental of machines and production equipment.

With the increase in the number of banks and other financial institutions, cooperatives, local economy enterprises, and medium and small industrial enterprises, an opportunity is provided to select a credit-granting bank. This means that if any cooperative or enterprise is not satisfied with the services of a bank which extends them credit, they may become partners of another bank (this provision is not extended to large enterprises).

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EASTERN EUROPE

GDANSK SOLIDARITY RESURGENCE, OUTSIDE 'INTERFERENCE' ASSAILED

LD042210 Moscow Television Service in Russian 1545 GMT 4 Oct 86

[From "The World Today" program presented by Valeriy Korzin]

[Text] A strident and provocative propaganda campaign has now been mounted in the West over another country -- Poland. In accordance with a law which has been passed, certain members of Solidarity, which was banned by the authorities in December 1981, have been released from prison. They were serving sentences imposed for crimes against the state and public order. And now, in Gdansk, the leaders of Solidarity have held a conference at which they have announced the setting-up of what they are pleased to call a provisional council, with seven members.

Something of the kind was to be expected. This is not the first time the state has granted such an amnesty, and every time, in one place or another, small opposition groups have raised their voices in an attempt to exploit these humane actions for the purposes of their subversive activities. As a rule, however, such groups have been extremely short-lived. Probably the same thing will happen with this new provisional council. One can be sure that it will, indeed, be provisional -- lacking, as it does, any social basis or popular support.

ZYCIE WARSZAWY has put the matter very precisely. Such scanty opposition groups, it wrote, are a clinical case of political blindness.

Well, as if in obedience to a word of command, articles have appeared in various newspapers of various countries, trying to represent this group of seven renegades in Gdansk as some sort of new force that is a serious challenge to the government. It is even being written that the government faces an extraordinarily difficult choice. There is speculation that the men who have been freed will be rearrested, and so on and so forth. In short, what we are clearly dealing with is one more attempt to interfere in Poland's internal affairs. It is an obvious case of wishful thinking, in which what is desired is claimed as a reality. Well, the hopes of the enemies of the Polish people are in vain. The difficult stage in the life of Poland is over: this was stated very forcefully at the recent congress of the Polish communists, and no amount of fabrication can change it.

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CHINA/FAR EAST/PACIFIC

30 YEARS AFTER TREATY USSR-CHINA CULTURAL EXCHANGES LISTED

AU140501 Moscow PROBLEMY DALNEGO VOSTOKA in Russian No 3, Jul-Sep 86
pp 154-159

[Article by V. Ya. Matyayev and G. S. Syalov: "Mutual Interest, Broad Prospects: On the 30th Anniversary of the Cultural Agreement Between the USSR and the PRC"--Chinese names within single parentheses as transliterated]

[Text] July 5 this year marked 30 years since the signing of the Agreement on Cultural Cooperation between the Government of the Union of Soviet Socialist Republics and the Government of the People's Republic of China, which came into effect on 7 December 1956. It has played a major role in the mutual familiarization of the peoples of the two countries with each other's cultural achievements. Today, too, the agreement is a good basis for developing exchanges between the USSR and the PRC in the sphere of science and education, literature and art, sports and health services, book publishing, and television and radio broadcasting. The agreement represents a durable and time-tested contractual-legal foundation for the entire complex of Soviet-Chinese ties in the cultural sphere.

Complying with the behest of V. I. Lenin, the Soviet Union has always advocated enriching the spiritual life of the working people through the boons of general human civilization and introducing them, through art, to the life of the peoples of all countries. Socialist culture has invariably been the herald of leading contemporary ideas--the ideas of peace, humanism, and social progress. Embodying the ideological wealth and diversity of the spiritual life of socialist society and its true humanism, it enriches world culture and more and more fully shows its worth as a powerful factor in the spiritual progress of mankind. In today's disturbing times, when the fate of the entire human race is under a question mark, the role of art as a means of spiritually uniting people is even greater. The new edition of the CPSU Program adopted by the 27th CPSU Congress notes: "The CPSU is a supporter of broad mutual exchange of genuine cultural values. This exchange must serve humane goals: the spiritual enrichment of peoples and the consolidation of peace and good-neighborliness."

The preamble to the Soviet-Chinese Agreement on Cultural Cooperation points out that the USSR and PRC Governments decided to conclude it "for the purpose of further strengthening the close fraternal friendship between the peoples of

both countries, of promoting the rapid development of cultural construction in both countries, and of maintaining peace throughout the world and the progress of mankind."

The 5 July 1956 agreement established a period of validity of 5 years with an automatic extension for a subsequent 5 years if one side did not express a desire to terminate its operation within 6 months of the expiry period. In subsequent years, although Soviet-Chinese relations at different times had various characteristics, neither contracting party stated an intention to terminate the operation of this agreement. In the Soviet Union it has always been considered an important component of the contractual-legal basis of relations between the USSR and the PRC. Judging by the statements of the Chinese side, the agreement is given the same assessment in China.

The permanent vital power of the Soviet-Chinese agreement of 5 July 1956 is that it was a natural result of many years of cultural exchanges, whose inspiration were the leading representatives of Soviet and Chinese culture.

Cultural cooperation between the USSR and the PRC took shape on an equal and mutually beneficial basis. It was permeated with profound respect for national features and traditions, was of a genuinely mass nature, and had an enormous impact on the broad strata of working people.

Familiarity with the cultural life of the Soviet people, who had traversed the long path of the struggle for socialism, and with their science, literature, and art promoted a strengthening of the influence of the Marxist-Leninist world outlook on the Chinese working people, the assimilation of socialist ideas by the builders of the new China, and provided vital and graphic models that helped find new paths of progress and that could be used to develop the spiritual life of the multimillion-strong masses of the until then quite recently semifeudal and semicolonial country.

The principles of socialist internationalism were strikingly manifested not only in the multifaceted cultural exchanges of the 1949-59 period, but also in the free transfer to the PRC Government of unique memorials of Chinese national culture that were kept in Soviet museums and archives. From the end of the seventies China took the course of resolutely boosting the cultural level of the billion-strong population. The objective historical trend toward broad and vital contacts between the two great neighboring socialist countries invariably paved the way.

Throughout these years the Soviet public in the Soviet Union did not cease their acquaintance with Chinese culture, and the Soviet-Chinese Friendship Society played a particularly perceptible role in this activity. From the beginning of the eighties China resumed publishing translations of Russian classical and Soviet multinational literature in mass editions. At the same time as translations of Soviet fiction, translations of books by Soviet authors dealing with the most varied spheres of knowledge, as well as Soviet schoolbooks, appeared. At the end of 1980 and beginning of 1981 more than 100 books by Russian and Soviet authors were published, more than 30 of which

were works of contemporary Soviet literature, including "Thin Reed in the Wind" and "The Will" by G. Markov, "Law of Eternity" by N. Dumbadze, "The Red Cranberry" by V. Shukshin, works by Ch. Aymatov, and of course, the Russian classics--L. Tolstoy, V. Belinskiy, A. Chekhov, and N. Gogol. Already at the start of 1981 Russian classic and Soviet literature took first place in the number of published translations.

In 1980 the journal (SULYAN VENSUYUE) ("Soviet Literature"), published by the Institute of Soviet Literature of the Beijing Teachers' University, appeared, and soon after two others: (SULYAN VENYI) ("Soviet Literature and Art"), organ of the Beijing Foreign Languages Institute, and (ESU WENSUYUE) ("Russian and Soviet Literature"), published by the efforts of eight universities in various Chinese provinces.

It is as if a new discovery of Russian and Soviet literature were occurring in China. Chinese readers were introduced to the plays of A. Vampilov. After a long break the works of M. Sholokhov were again publicized. In 1981 the third and fourth volumes of "The Quiet Don" were published in Beijing, and a new, revised translation of "The Destiny of a Man" was published. In 1982 a large volume of "Materials for Studying Sholokhov" was published, containing both opinions on the writers' works by major artists of the word--M. Gorkiy, A. Serafimovich, A. Fadeyev, and K. Fedin--and the works of Soviet literary experts L. Yakimenko, K. Priyma, A. Biryukov, and others. Chinese translators and publishers started to widely introduce readers to the Soviet literature of the last decade, to the stories of V. Shukshin and the works of V. Tendryakov, B. Polevoy, V. Rasputin, G. Baklanov, Yu. Bondarev, and V. Lipatov.

The first contacts in the sphere of literature took the form of book exchanges between the A. M. Gorkiy Institute of World Literature of the USSR Academy of Sciences and the Institute of Foreign Literature of the Chinese Academy of Social Sciences, Beijing University, Shandong University, the Tianjin branch of the Chinese Writers Association and the Guangdong Province Academy of Social Sciences. In November-December 1983 well-known Chinese translators of Soviet literature Gao Mang, deputy chief editor of the journal (SHITSE VENSUYUE) ("World Literature"), and Ge Baoquan, senior research assistant of the Institute of Foreign Literature of the Chinese Academy of Social Sciences, took part in the Fourth International Meeting of Translators of Soviet Literature in Moscow. At the meeting Ge Baoquan was presented, on behalf of the Board of the USSR Union of Writers, with a testimonial "For Major Achievements in the Many Years' Work of Translating Soviet Literature." In December 1983-January 1984 (Chzhan Yuy), deputy director of the Institute of Foreign Literature of the Chinese Academy of Social Sciences, and (Li Khueyfan), chief of the Department of USSR Literature of the Chinese Academy of Social Sciences, were in the USSR.

In June-November 1982, at the invitation of the China Printed Matter Import and Export Co., Soviet organizations took part in five traditional Chinese book exhibitions. In July 1983, for the first time Chinese books were exhibited at the Moscow International Book Fair. In September Chinese films were shown at the 13th International Film Festival in Moscow.

In February 1982 the USSR Ministry of Higher and Secondary Specialized Education expressed a readiness to organize an annual exchange of student groups and teachers. In August-September 1983 the first groups of students and trainees (10 people from each side) left for the PRC and for the USSR.

Noticeable progress in Soviet-Chinese cultural ties was made in 1984. In May the USSR Ministry of Culture conducted consultations between Soviet and Chinese representatives, as a result of which the sides coordinated a plan of cultural exchanges for 1984. In accordance with this plan, artists from the People's Republic of China toured Moscow, Kishinev, and Odessa in May-June. The Soviet audience was won over by the poetic quality and elegance of the performance of pianist (Vey Danvey), prizewinner at international competitions. Violinist (Syuye Vey), another prizewinner at international competitions, captivated listeners with the warm sound of her instrument and the profound feeling for the substance and style of melody. Perfect vocal purity, fullness, and technical completeness distinguished the performances of singers (Chzhan Manhua) (mezzo-soprano), (Chzhan Fenyi Fenyi) (soprano), and (Fu Khaytszin), who performed with feeling Igor's aria from A. P. Borodin's opera. In September-October a group of Soviet artists performed in the PRC: a ballet duet--N. Bessmertnova, state prizewinner and USSR People's Artist, and I. Mukhmedov, prizewinner at the International Ballet Dancers Competition in Moscow; professional singers--USSR People's Artist Kh. Krumm and Azerbaijan SSR Merited Artist Kh. Kasimova; and pianist N. Demidenko and violinist A. Vinnitskiy, prizewinners at the P. I. Tschaikowsky competition. The group was headed by well-known Soviet composer A. Flyarkovskiy. The Soviet masters of the arts introduced audiences in Beijing, Nanjing, Shanghai, and Guangzhou to the works of Russian and Soviet composers and also performed works by Chinese authors.

From 8 to 23 November 1984 RSFSR People's Artist Yu. Marsulin, soloist of the Leningrad S. M. Kirov State Academic Theater of Opera and Ballet, toured the PRC; more than 10,000 people attended his concerts in Beijing, Tianjin, and Guangzhou. "Yu. Marsulin's technique is excellent," wrote the newspaper CHINA DAILY, citing (Shen Syan), professor of the Chinese Central Conservatory. "He confidently holds high notes, which sound powerful and full, and at the same time the low ones sound tender and sincere." In February Soviet admirers of the singing genre applauded the remarkable art of well-known Chinese singer Hu Xiaoping.

In September 1984 an exhibition of the "gohua" painting style was held in the State Museum of Oriental Art. In November-December the exhibition "Soviet Contemporary Painting" was shown in Beijing, and then in Xian. More than 60 works by artists representing multinational Soviet art were displayed at it. The exhibitions produced the most ardent interest in both countries.

Mutual cultural exchanges in 1984 were not restricted to the plan. Two prominent representatives of PRC culture--(Li Delun), conductor of the Beijing Philharmonic, and composer (Chzhu Tszyaner) attended the Second Moscow International Music Festival as honored guests. The symphonic fantasy by (Chzhu Tszyaner) "In Memory of Heroes Who Died for Truth" was played there by

an orchestra conducted by F. Glushchenko. The Chinese author's work was highly assessed by experts and by the general audience. The author himself noted the great skill of Soviet performers.

In 1984 contacts in the sphere of book publishing and the printing trade expanded. A group of Chinese scientists specializing in the study of the classic novel "The Red Chamber" visited the Soviet Union and acquainted themselves with the unique manuscript of this masterpiece of Chinese prose fiction, which is kept in the Leningrad Department of the Institute of Oriental Studies of the USSR Academy of Sciences. Agreement was reached on a joint facsimile edition of the novel. Business contacts between the encyclopedia publishing houses of the two countries were made.

Cooperation in the sphere of education expanded substantially. The number of students and trainees was increased to 70 people from each side, and the range of specialties, besides the humanities, included natural and technical disciplines.

The rapid resumption of cultural contacts between our countries showed that mutual interest in each other's rich national culture had never waned. Life showed that the principles and ideas incorporated in the 1956 agreement were still alive and that the agreement itself had withstood the difficult test of time and had proved its usefulness, effectiveness, and vital power. It was therefore natural that at the beginning of 1985 the sides confirmed the validity of the 1956 Treaty on Cultural Exchange and agreed to carry out cultural exchanges in the future on the basis of intergovernmental plans based on this agreement. In June 1985 talks were held in Beijing between USSR and PRC governmental cultural delegations, and a plan of cultural cooperation for 1985 was signed. The sides exchanged large artistic collectives. In September Soviet spectators ardently welcomed a ballet troupe from Gansu Province, which gave a performance of "The Silk Route Is Strewn With Flowers." During the Fifth International Ballet Dancers Competition in Moscow in the summer of 1985, Chinese performers attracted the attention of professionals and enthusiasts of choreography.

In October 1985 performances in Beijing and Shanghai by a troupe of the USSR state concert ensemble, the Moscow "Classical Ballet," under the direction of RSFSR People's Artist N. Kasatkina and RSFSR Merited Arts Figure V. Vasileva, were a great success. Chinese dancers (Tan Min) and (Chzhan Veytsyan), who took part in the Fifth International Ballet Artists Competition in Moscow, also participated in performances together with Soviet artists.

In December the Belorussian SSR State Academic People's Choir toured China. A total audience of more than 12,000 attended the seven performances, which were an enormous success. The Chinese press noted that the Soviet collective's program was not limited wholly to national traditional genres, but reflected USSR culture as a whole.

Tours to both countries by solo performers were a great success. Concerts by G. Provotorov, chief conductor of the Belorussian SSR State Academic Bolshoy

Theater--the first Soviet conductor to visit China in many years--were held in front of packed halls. According to Chinese press reviews, "the audience was won over by his energetic interpretation of Russian music." In Beijing the Soviet musician performed with the Beijing Philharmonic, which is led by the well-known Chinese conductor (Li Delun), who was a classmate of G. Provotorov at the Moscow State Conservatory. Unusual ease, spirit, and eloquence of performance--that is how the Chinese press assessed the concerts of pianist E. Andzhaparidze. In December 1984-January 1986 listeners in Kaunas, Vilnius, and Novosibirsk applauded masters of the arts from the PRC--(Chen Siyan), conductor of the Shanghai Philharmonic, and (Van Syaodun), violinist of the Shanghai Conservatory.

A Soviet fine arts exhibition, which opened on 14 November 1985 in the halls of the Chinese Historical Museum, produced great interest among the Chinese artistic public. It displayed 150 pictures from the State Russian Museum in Leningrad. A greeting from the PRC Ministry of Culture on the occasion of the exhibition's opening stressed that the works of Soviet artists that were presented at it not only reflected their love for their homeland, but also the ideals of peace, humanism, and progress. It was noted that the exhibition would promote mutual understanding and friendship between the peoples of the PRC and the USSR. An exhibition "Contemporary Chinese Decorative and Applied Arts" was held in the fall of 1985 in the State Museum of Oriental Art.

In 1985 ties between the creative unions of the two countries were restored. In October-November 1985, at the invitation of the Chinese Writers Association, a delegation of Soviet men of letters comprising S. Mikhalkov, Ye. Yevtushenko, Yu. Semenov, and L. Eydlin were in the PRC. It visited Nanjing, Shanghai, and Suzhou, took part in a creative seminar, and held meetings with prominent Chinese writers, translators, and Russian language specialists. The halls in which they appeared were always filled to capacity. In the Shanghai Institute of Foreign Languages a concert was organized by students, who read in Russian the verses and fables of S. Mikhalkov, the lyric poetry of Ye. Yevtushenko, and excerpts from the works of Yu. Semenov. Professor L. Eydlin delivered a report before the students and teachers in Chinese on the work of Soviet Sinologists. The delegation had a warm meeting with Ba Jin, one of the oldest Chinese writers and chairman of the Chinese Writers Association.

On 17 November 1985 a delegation of the Chinese Writers Association consisting of prose writers Shao Hua and (Li Goven), (Lyu Lyaoi), translator and editor of the "People's Literature" Publishing House, and (Se Yunvan), critic and chief editor of the newspaper (VENYI BAO). The guests visited Moscow, Leningrad, and Tbilisi, took part in numerous meetings with Soviet men of letters, visited industrial enterprises and kolkhozes, and became acquainted with the life of our country's workers and peasants. On the eve of their departure from the Soviet Union Shao Hua, head of the delegation and member of the Secretariat of the Chinese Writers Association, stressed in a talk with an IZVESTIYA correspondent: "Direct contacts between the men of letters of the two countries and knowledge about each other are of enormous importance to strengthening friendship and mutual understanding between our peoples."

In October 1985 the All-Russian Theatrical Society received a delegation of the China Federation of Literary and Art Circles headed by (Chzhou Lay), director of the Chinese Children's Art Theater. The Chinese theatrical workers met the leadership of the All-Russian Theatrical Society, held talks at the All-Union Copyright Agency and at the editorial office of the journal TEATR, and visited Kiev and Leningrad. In November-December 1985 trips were made to the PRC by a delegation of Soviet artists headed by A. M. Lopukhov, secretary of the Board of the USSR Union of Artists and chairman of the Ukrainian SSR Union of Artists, and a delegation of Soviet composers headed by Ya. P. Ryaets, secretary of the USSR Union of Composers and chairman of the Board of the Estonian Union of Composers.

In September 1985 a delegation of Soviet theatrical arts workers visited China. It comprised: A. Zharov, chief of the Theaters Administration of the USSR Ministry of Culture, and USSR People's Artists R. Struchkov, M. Ulyanov, and G. Ansimov. In November 1985 a group of Soviet cinema personages headed by F. T. Yermash, chairman of the USSR State Committee for Cinematography, and consisting of well-known directors S. Rostotskiy and E. Ryazanov and actress I. Shevchuk, visited China. "Soviet cinematic art has greatly influenced the formation and development of Chinese cinema," noted Seypidin, vice chairman of the Standing Committee of the PRC National People's Congress during a meeting with the delegation. "The expansion of Soviet-Chinese cultural cooperation will promote mutual understanding between the two peoples and the two countries."

In December 1985 a delegation of Soviet choreographers visited a number of educational institutions in Beijing, Xian, Guangzhou, and Shanghai, and held meetings with PRC dance figures, and exchanged views on problems of the development of the art of ballet in both countries. The Soviet teachers gave a few instructive lessons for the students of choreographic schools. Chinese ballet experts said that the ballet "The Beautiful Fish-Girl" is still running in China.

The visit to the PRC by workers of the USSR State Committee for Publishing House Printing Plants, and the Book Trade, which acquainted itself with the work of the "Great Chinese Encyclopedia" Publishing House, the XINHUA printing office, and the ("Vensyuye Chubanshe") Publishing House, was useful.

Cultural ties between our countries in 1985 also were not limited by the framework of the signed plan. It was already mentioned before that Chinese representatives for the first time in many years took part in the Fifth International Ballet Dancers Competition in Moscow.

On 5 July 1985 a Soviet book exhibition opened in the Central Exhibition Hall of the Chinese capital. Displayed were collected works of the classics of Marxism-Leninism, books discussing socialist construction in the USSR, scientific-technological literature of leading Soviet publishing houses, dictionaries, albums, publications in languages of the USSR peoples, as well as works by Chinese writers published in the Soviet Union. One of the leading

displays of the exhibition was devoted to the victory of the Soviet people over German fascism and Japanese militarism.

The display of the People's Republic of China at the Fifth Moscow International Book Fair, which was held in September 1985, was extensive and attractive. PRC publishing houses displayed 2,000 books--one quarter more than at the last fair. "This is a reflection of how successfully the exchange between our countries is developing," said (Vey Yunkhe), vice president of the Company for the Import and Export of Book Products. "And the current fair will give it new impetus. A number of accords have been reached: For instance, the network of bookstores selling Soviet literature at home and Chinese literature in your country is expanding." The Chinese display itself testified to the interest in Russian and Soviet literature in China: On the shelves were translations of works by Pushkin, Gogol, Tolstoy, Mayakovskiy, Simonov, and Fedin.

On 25 July a ceremony was held in the Oriental Studies Institute of the USSR Academy of Sciences to present the PRC Embassy with a four-volume Great Chinese-Russian Dictionary. Handing over the publication to Li Zewang, PRC ambassador to the USSR, Academician Ye. M. Primakov noted that this was the largest Chinese-foreign language dictionary in the world. Its direct preparation began almost 30 years ago, and actually work was done even earlier, in the postwar years. The dictionary also reflected the work of Chinese scholars. Ambassador Li Zewang, having expressed profound gratitude for the valuable gift, called it a symbol of cultural exchange between the peoples of the two countries.

In August 1985 "But the Dawns are Quiet Here," an opera by Soviet composer K. Molchanov based on a story by B. Vasilyev of the same name, premiered in the PRC capital. The production was carried out by the opera troupe of the General Political Department of the Chinese People's Liberation Army and was devoted to the 40th anniversary of the victory over Hitlerite fascism and militaristic Japan. This was the first production by the collective of a foreign opera on the Chinese stage. The opera's score was presented to the Chinese side as a gift.

In December 1985 G. P. Berdnikov, director of the A. M. Gorkiy Institute of World Literature of the USSR Academy of Sciences, who was visiting China, spoke at a solemn meeting devoted to the great Russian writer A. P. Chekhov. The number of publications of translations of Russian and Soviet literature in the PRC increased constantly in 1984-85. According to incomplete counts, during this time about 130 books of Russian and Soviet literature were published and together with novels, stories, and film scripts carried in journals, the list exceeded 150 titles. Soviet poetry began to be widely translated. In 1984-85 two collections of poetry by Soviet poets came out one after the other: "Selected Soviet Poetry" and "Soviet Lyric Poetry." Various Chinese provinces began publishing new series on Soviet literature. Since 1984 the Zhejiang Province Literature and Art Publishing House (in Hangzhou) has been publishing a "Contemporary Soviet Literature" series, of which "Cry of the Crane" by V. Bykov and "Seasons of the Year" by V. Panova have already

been released, and publication of the novel "Siberia" by G. Markov and books by K. Simonov, D. Granin, and others is in preparation. In 1986 the Hunan Province Literature and Art Publishing House in Changsha began releasing a "Works of Soviet Literature Awarded Lenin, State, and Other Prizes" series. In Wuhan the ("Chantszyan Venyi Chubanshe") Publishing House has started a "Translations of Russian and Soviet Literature" series, and a series "Soviet Revolutionaries" is being published in Harbin. This list could go on.

Soviet cinema is very popular in China. Movies belonging to the classics of our cinematography--"Lenin in October," "Chapayev," and others--are invariably welcomed with interest in China. The works of contemporary Soviet cinematographers, which began to be shown in China in 1983, immediately won the recognition of viewers. Movies devoted to the exploits of the Soviet people in the Great Patriotic War--"But the Dawns are Quiet Here" and "Little Aleksandr"--produced a profound response. Movies treating our country's current moral-ethical and socioeconomic problems--"Moscow Doesn't Believe in Tears" and "The Understudy Begins to Act," and others--received a wide response.

In 1985 at the 14th International Film Festival in Moscow Soviet viewers became acquainted with the works of contemporary PRC cinematographers. The feature films "Girl from (Huangshan)" and "Why I Was Born" (the latter was presented for noncompetitive showing) immediately won the approval of film enthusiasts in our country. The films "Little Street" and "Under the Bridge," which admirers of the art of film in the USSR like very much, are currently being shown on the screens of Soviet movie theaters.

Ties with the PRC in the sphere of education developed significantly in 1985.

On 26 May 1986 a plan of cultural cooperation between the USSR Government and the PRC Government for 1986-87 was signed in Moscow. This plan, through its fullness and range of the spheres, forms, and aspects of exchange, reflects even more fully the substance of the 5 July 1956 cultural cooperation agreement. Recording the fundamental provisions for 2 years, the plan envisages the possibility of concluding additional annual interdepartmental protocols that will regulate the forms and number of exchanges in individual areas, particularly in the sphere of higher schools and sport between the USSR Academy of Sciences, the Chinese Academy of Sciences, and the PRC Academy of Social Sciences.

The Ukrainian SSR P. Virskiy State People's Dance Ensemble (1986) and the USSR State Chamber Orchestra (1987) will introduce Chinese audiences to the best examples from the repository of national and world culture. Soviet spectators anticipate meetings with the uniquely captivating Beijing Opera (1987) and the inimitable art of traditional Chinese dance performed by the Chinese Central Ballet Troupe (1986). The sides will exchange collectives whose creativity will leave no categories of audiences indifferent: In 1987 the world-famous Central Puppet Theater under the leadership of S. V. Obrastsov will make a tour of China, and a puppet theater representing an art that has been developing in China for a long time will come to our country.

There is no doubt that "The Image of the Contemporary Man in Soviet Fine Arts" painting and sculpture exhibition (1986) will serve as the best introduction of Chinese people to the labor and everyday life of the Soviet person, his vital stances, and the ideals he is fighting for. The "Relics of October" exhibition, which is devoted to the 70th anniversary of the Great October Socialist Revolution and is depicted holographically, is planned for the jubilee year. Art admirers in the Soviet Union await with interest the PRC exhibitions "Lacquer Ware and Engravings" (1986) and "Contemporary Chinese Oil Painting" (1987).

The plan specifies that direct ties will be established between the P. I. Chaykovskiy Moscow State Conservatory and the Beijing Central Conservatory, between the Moscow Academic Choreographic School and the Beijing Central Choreographic School, between the State Hermitage and the Beijing ("Gugun") Museum. The plan outlines extensive contacts between our countries in the sphere of publishing houses, the printing trade, and the book trade. The sides will continue discussion of the practical issues of cooperation in publishing encyclopedic literature, a Big Russian-Chinese Explanatory Dictionary, and other reference literature. As in previous years, the USSR and the PRC will take part in book fairs in Beijing and Moscow. Ties in the sphere of cinematography will be further developed. Exchanges along the lines of the two countries' Central Television and Radio are planned. The plan for 1986-87 envisages further expansion of ties between Soviet and Chinese creative unions. Contacts between the Telegraph Agency of the Soviet Union and the XINHUA News Agency and exchanges in the sphere of health services and social security are planned. There is no doubt that this plan complies with the increased level of Soviet-Chinese ties, and its fulfillment will provide a new, powerful impetus to exchanges of the best examples of culture and will make mutual spiritual enrichment more fruitful. The Soviet Union considers the forward development of Soviet-Chinese cultural ties and the imparting of more diversity and fullness to them as an important and integral component of the general process of improving Soviet-Chinese relations on an equal and mutually beneficial basis.

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CSO: 1807/34

CHINA/FAR EAST/PACIFIC

BRIEFS

JAPAN-USSR S&T COMMISSION--(TASS)--The Third Session of the Soviet-Japanese Commission on Scientific and Technical Cooperation began its work today in Tokyo. It is discussing specific directions in the development of relations between the two countries in various areas and questions of expanding the exchange of advanced equipment and technology in atomic power engineering and agriculture. An exchange of opinions is also taking place on questions of strengthening ties between Soviet and Japanese scientists. [Text] [Moscow PRAVDA in Russian 17 Sep 86 p 5]

CSO:1807/21-P

MIDDLE EAST/NORTH AFRICA/ SOUTH ASIA

SOVIET-SOUTH YEMEN LEGAL AID AGREEMENT RATIFIED

[Editorial Report] Moscow VEDEMOSTI VERKHOVNOGO SOVETA SOYUZA SOVIETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian Number 38 dated 17 September 1986 carries on page 773 the text of a 100-word ukase of the USSR Supreme Soviet. The ukase ratifies an agreement on legal aid in civil and criminal cases signed by the Soviet Union and the People's Democratic Republic of Yemen.

CSO: 1807/36

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

RUSSIAN-PUSHTU BOOK OF COMPARATIVE FOLK SAYINGS PUBLISHED

[Editorial Report] Moscow PRAVDA in Russian for 4 October 1986 carries on page 5 a 300-word report by candidate of philological sciences G. Girs entitled "From the Sources of Wisdom". The report states that a Pushto-Russian book containing comparative folk sayings has been published by the Center for Pushto Studies of the Afghan Academy of Sciences. The article gives a number of examples of comparative folk sayings and notes that the contents of such sayings, which deal with good and evil, labor, friendship and brotherhood and love for one's homeland "serve the interests of the revolution". Girs also quotes president of the Pushto center Dost Shinvari, who expresses the hope that "the publication of this book will play an important role in the strengthening of our brotherhood and in the further multi-faceted development of relations between the Afghan and Soviet friends."

CSO: 1807/28

SUB-SAHARAN AFRICA

USSR-MALAGASY DECLARATION ON PRINCIPLES OF RELATIONS

PM061113 Moscow IZVESTIYA in Russian 4 Oct 86 Morning Edition pp 1-2

["Declaration on the Principles of Mutual Relations and Cooperation Between the USSR and the Democratic Republic of Madagascar"]

[Text] The USSR and the Democratic Republic of Madagascar (DRM), expressing determination to consolidate in the interests of the peoples of both countries the relations that have been established between them of friendship and comprehensive cooperation and to create the foundation for their future development.

proceeding on the basis of a broad coincidence of views on very important international problems and guided by the desire to make a positive contribution to their solution,

voicing concern at the serious deterioration of the present-day international situation and increase in tension due to imperialism's heightened aggressiveness and reaction's intrigues,

favoring the stronger unity and solidarity of all progressive forces and believing that the development of friendly relations and fruitful cooperation between the socialist countries and developing states meets their common interests,

confirming their adherence to the aims and principles of the UN Charter,

declare that the USSR and the DRM will be guided in their relations by the following:

1. The sides will continue to develop and deepen relations of friendship and cooperation in the political, economic, trade, technical, scientific, and cultural spheres on the basis of the principles of respect for sovereignty, national independence, territorial integrity, and noninterference in one another's internal affairs and equality and mutual advantage.
2. The USSR and the DRM confirm their desire to make an all-round contribution to the development of contacts and cooperation between state bodies,

political and public organizations, and cultural and scientific institutes in order to ensure deeper mutual acquaintance with the life, labor, and achievements of the two countries' peoples.

3. The USSR respects and rates highly the DRM's policy of nonalignment, which is an important factor of international relations and in strengthening peace and international security.

The DRM respects and rates highly the USSR's peace-loving foreign policy geared to eliminating the war threat and directed against the arms race on earth and in space and toward the maintenance and strengthening of peace and development of friendship and cooperation with all countries and peoples.

4. The sides will cooperate closely in the matter of strengthening peace and comprehensively promoting the creation of an all-embracing system of international security in the military, political, economic, and humanitarian spheres. They will give all-round support to the United Nations and contribute to improving the organization's effectiveness in strengthening international peace and the peoples' security on the basis of strict observance of its Charter.

5. Both sides will continue to advocate the revival and deepening of the relaxation of international tension, its embodiment in specific forms of mutually advantageous cooperation between states, the settlement of international conflicts by peaceful means, and the transformation of the principle of non-use of force into an effective law of international life. They will constantly seek to halt the arms race and prevent it from spreading to space, achieve general and total disarmament, including nuclear and chemical, under effective international control, and destroy all types of mass-destruction weapons before the end of the present century.

6. The sides will make an effort to ensure the speediest unconditional elimination of colonialism, neocolonialism, racism, and apartheid and the full implementation of the UN Declaration on Granting Independence to Colonial Countries and Peoples. They confirm their desire to cooperate with one another and with other progressive forces in backing the peoples' just struggle for freedom, independence, and social progress. They favor the just settlement of the explosive situation that has taken shape in southern Africa.

7. The Soviet Union and Madagascar see the struggle to turn the Indian Ocean into a zone of peace as an important part of the overall struggle for peace. The sides will continue to seek the earliest convening to that end of a UN conference on the Indian Ocean to initiate a process of demilitarization in the region.

8. Both sides will make an all-round contribution to creating nuclear-free zones in the Indian Ocean, Africa, and other parts of the world on the principle that preventing the spread of nuclear weapons and effecting nuclear disarmament are very important matters today.

9. The USSR and the DRM will endeavor to safeguard the right of all peoples to free, independent development without outside interference and to establish a new world economic order ensuring equal economic security for all states and they will promote a just settlement of the foreign debt problem.

10. Both sides, attaching great importance to concerted actions in the international arena in the interests of preventing a nuclear catastrophe and safeguarding peace and security, freedom and peoples' independence, are fully resolved to develop and widen the practice of mutual exchange of views and regular consultations on matters of bilateral relations and on international problems of mutual interest.

11. The provisions of this Declaration do not affect earlier pledges by each of the sides in respect to third countries and international organizations. The sides will not enter into any agreements or take other action incompatible with the aims of this Declaration.

Done at Moscow on 26 September 1986 in two copies, each in Russian and French, both texts being equally authentic.

For the USSR: A. Gromyko

For the DRM: D. Ratsiraka.

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END

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FICHE

DATE FILMED

Dec 3, 1986